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INFORMATION
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Department of Homeland Security

Budget Overview

Fiscal Year 2007
Congressional Budget Justification

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DEPARTMENT OF HOMELAND SECURITY

Overview

This is the Department of Homeland Security's Performance Budget. It demonstrates the performance levels associated with the FY 2007 President's Budget and implementation of the first year of the Department's Future Years Homeland Security Program, FY 2007 to FY 2011.

This performance budget is submitted in compliance with the Government Performance and Results Act of 1993 ("GPRA" or the "Results Act") requirements for an Annual Performance Plan following Office of Management and Budget (OMB) guidance. The performance goals and measures targets contained in this Overview are those for subsequent reporting in the Department's Annual Performance and Accountability Report for FY 2006.

The overview begins by stating what DHS intends to accomplish to fulfill its mission and achieve its goals and objectives for the level of funding requested, thus accomplishing its vision:

The mission of the Department of Homeland Security is:

We will lead the unified national effort to secure America. We will prevent and deter terrorist attacks and protect against and respond to threats and hazards to the nation. We will ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free-flow of commerce.

What DHS intends to accomplish in FY 2007 by strategic goal including:

- **The Programs, which are the means and strategies to achieve goals**
- **Program Performance Goals and Measures,**
- **Resource budgets, both dollars and staffing levels by program,**
- **Past performance accomplishments in meeting targets.**

The following tables show the contribution of DHS programs to achieve the DHS strategic goals as demonstrated by program performance goals, measures and targets. Programs are the means and strategies to accomplish the strategic plan. For each program the staff levels and budget including component allocated overhead are shown to achieve the performance goals. Program tables are arrayed under the DHS strategic goal they most strongly support, although may support multiple DHS goals and objectives. Each program table shows all the DHS strategic objectives it supports.

This document has purposely been kept brief, in the belief that too much information can overwhelm rather than inform. Yet, by providing key information on programs it provides a comprehensive understanding of DHS is plans. For further details, additional information is available from three primary sources:

- The body of the DHS Congressional Justification for the President Budget, which includes detailed information by DHS's components,
- Supplemental information to this Overview is available at www.dhs.gov.
    - Appendix A on verification and validation of measured values,
    - Appendix B on changes in goals and performance measures based on the achievement of goals in FY 2005.
- Classified supplements available as appropriate.

STRATEGIC GOAL - 1. AWARENESS - Identify and understand threats, assess vulnerabilities, determine potential impacts and disseminate timely information to our homeland security partners and the American public.

Objectives established by the Department to achieve this goal are:

- 1.1 - Gather, fuse, and analyze all terrorism and threat related intelligence.
- 1.2 - Identify and assess the vulnerability of critical infrastructure and key assets.
- 1.3 - Provide timely, actionable, accurate, and relevant information based on intelligence analysis and vulnerability assessments to homeland security partners, including the public.
- 1.4 - Develop a Common Operating Picture for domestic situational awareness, including air, land, and sea.

Principle means and strategies to achieve these objectives are the following programs.

Program: Analysis and Operations						
Performance Goal: Deter, detect, and prevent terrorist incidents by sharing domestic situational awareness through national operational communications and intelligence analysis.						
DHS strategic objectives supported and % allocation of activities: 1.3 - 100.0%						
Measure: Percent of Federal, State and local agencies that maintain connectivity with the Homeland Security Operations Center (HSOC) via Homeland Security Information Network (HSIN) and participate in information sharing and collaboration concerning infrastructure status, potential threat and incident management information	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	33% (Baseline Estimate)	Sensitive	Sensitive
	Actual	None	None	7%	N/A	N/A
Lead Organization: Analysis and Operations	$ Thousands	N/A	N/A	N/A	$255,500	$298,663
	FTE	N/A	N/A	N/A	406	475

Program: Intelligence						
Performance Goal: 100 percent distribution of sensitive threat information relative to Department of Homeland Security / Transportation Security Administration components, field elements and stakeholders.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 100.0%						
Measure: Number of successful attacks resulting from mishandling or misinterpreting intelligence information received by TSA intelligence service.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	0	0	0
	Actual	None	None	0	N/A	N/A
Lead Organization: Transportation Security Administration	$ Thousands	None	None	$14,000	$21,000	$21,000
	FTE	None	None	99	95	95

Program: Transportation Vetting and Credentialing						
Performance Goal: Prevent known or suspected terrorist from gaining access to sensitive areas of the transportation system.						
DHS strategic objectives supported and % allocation of activities: 1.3 - 50.0%, 2.5 - 50.0%						
Measure: Number of successful attacks to the transportation system that should have been prevented by the program.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	0	0
	Actual	None	None	0	N/A	N/A
Lead Organization: Transportation Security Administration	$ Thousands	None	None	240,686	$389,296	$130,801
	FTE	None	None	104	125	128

STRATEGIC GOAL - 2. PREVENTION - Detect, deter and mitigate threats to our homeland.

Objectives established by the Department to achieve this goal are:

- 2.1 Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws.
- 2.2 Enforce trade and immigration laws.
- 2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.
- 2.4 Coordinate national and international policy, law enforcement and other actions to prevent terrorism.
- 2.5 Strengthen the security of the nation's transportation systems.
- 2.6 Ensure the security and integrity of the immigration system.

Principle means and strategies to achieve these objectives are the following programs.

Program: Border Security Inspections and Trade Facilitation at Ports of Entry						
Performance Goal: Improve the targeting, screening, and apprehension of high - risk international cargo and travelers to prevent terrorist attacks, while providing processes to facilitate the flow of safe and legitimate trade and travel.						
DHS strategic objectives supported and % allocation of activities: 2.1 - 67.7%, 6.4 - 32.3%						
Measure: Advanced Passenger Information System (APIS) Data Sufficiency Rate. (Percent)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	94.2%	99.1%	99.2%	99.3%
	Actual	None	98%	98.6%	N/A	N/A
Measure: Border Vehicle Passengers in Compliance with Agricultural Quarantine Regulations (percent compliant).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	96.4%	94.6%	94.6%
	Actual	None	None	93.68%	N/A	N/A
Measure: International Air Passengers in Compliance with Agricultural Quarantine Regulations (percent compliant).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	97%	97%	97%	97%
	Actual	None	97%	95.8%	N/A	N/A
Measure: Percent of canines with 100% detection rate results in testing of the Canine Enforcement Team.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	98.7%	99.0%	99.0%
	Actual	None	None	99%	N/A	N/A
Measure: Number of foreign mitigated examinations waived through the Container Security Initiative.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	10,000	24,000	28,000
	Actual	None	2,416	25,222	N/A	N/A
Measure: Percent of worldwide U.S. destined containers processed through Container Security Initiative (CSI) ports	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	68%	81%	86%
	Actual	None	48%	73%	N/A	N/A
Measure: Compliance rate for Customs - Trade Partnership Against Terrorism (C-TPAT) members with the established C - TPAT security guidelines.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	98%	90%	88%
	Actual	None	None	97.0%	N/A	N/A
Measure: Percent of Sea Containers Examined using Non - Intrusive Inspection Technology (NII)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	5%	5%	5.25%	5.5%
	Actual	None	5.2%	8.1%	N/A	N/A

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Measure: Percent of Truck and Rail Containers Examined using Non - Intrusive Inspection (NII) Technologies	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	10%	10%	10.25%	10.5%
	Actual	None	26.2%	28.9%	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	None	$3,293,889	$3,282,459	$3,490,801	$3,616,633
	FTE	None	25,007	26,123	26,247	26,387

Program: Border Security and Control between Ports of Entry						
Performance Goal: To gain operational control of the U.S. border in areas deemed as high priority for terrorist threat potential or other national security objectives.						
DHS strategic objectives supported and % allocation of activities: 2.1 - 73.2%, 2.3 - 26.8%						
Measure: Apprehensions and seizures at checkpoints - effectiveness of checkpoint operations in apprehensions and seizures as they relate to border enforcement activities.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	5% - 10%	5% - 10%	5% - 10%
	Actual	None	None	6.2%	N/A	N/A
Measure: Border Miles Under Operational Control	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	150 miles	338	388
	Actual	None	None	288	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	None	$2,253,767	$2,401,016	$2,643,981	$3,271,266
	FTE	None	13,718	13,468	14,457	16,089

Program: Automation Modernization						
Performance Goal: Improve the threat and enforcement information available to decision makers from legacy and newly developed systems for the enforcement of trade rules and regulations and facilitation of U.S. trade.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percent of internal population using ACE functionality to manage trade information	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	8%	14%	26%
	Actual	None	None	8%	N/A	N/A
Measure: Percent of trade accounts with access to ACE functionality to manage trade information	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	1%	4%	11%
	Actual	None	None	1%	N/A	N/A
Measure: Percent of time the Treasury Enforcement Communication System (TECS) is available to end users.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	90%	92%	94%
	Actual	None	None	96.15%	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	None	$438,520	$449,909	$451,440	$461,207
	FTE	None	11	35	62	62

Program: Air and Marine Operations						
Performance Goal: Deny the use of air, land and coastal waters for conducting acts of terrorism and other illegal activities against, the United States.						
DHS strategic objectives supported and % allocation of activities: 2.1 - 100.0%						
Measure: Percentage of no - launches to prevent acts of terrorism and other illegal activities arising from unlawful movement of people and goods across the borders of the United States.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	Baseline (estimate)	23%	23%
	Actual	None	None	4.41%	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	None	0	$388,971	$558,153	$497,575
	FTE	None	0	1,010	1,220	1,220

The following six programs are for the Domestic Nuclear Detection Office created in FY 2006

Program: Systems Engineering and Architecture						
Performance Goal: Develop the systems architecture, conduct all associated systems engineering, and develop technology roadmaps for risk areas in nuclear detection.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percentage of Architecture layers assessed.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	N/A	22%
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of Architecture layers defined.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	9	N/A
	Actual	N/A	N/A	N/A	N/A	N/A
Lead Organization: Domestic Nuclear Detection Office	$ Thousands	N/A	N/A	N/A	$20,129	$30,158
	FTE	N/A	N/A	N/A	3	17

Program: Systems Development and Acquisition						
Performance Goal: Incrementally design, develop, acquire, and support the deployment of a system capable of rapid and high - reliability detection and identification of special nuclear material with out restriction to commerce.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Number of next generation detection systems acquired.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	112	155
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of Cargo Advanced Automated Radiography Systems acquired.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	N/A	2 proto-types
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of individual Urban Area Security Designs prepared for the Securing the Cities Program.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of multi agency working group program reviews held for the Securing the Cities Program.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	3	6
	Actual	N/A	N/A	N/A	N/A	N/A
Lead Organization: Domestic Nuclear Detection Office	$ Thousands	N/A	N/A	N/A	$186,802	$293,158
	FTE	N/A	N/A	N/A	3	22

Program: Transformational Research and Development						
Performance Goal: Develop the future nuclear detection technologies that will be capable of detecting all nuclear material entering the United States Homeland.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percent of proposals awarded.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	3%	6%
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of advanced detection technologies successfully demonstrated.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Lead Organization: Domestic Nuclear Detection Office	$ Thousands	N/A	N/A	N/A	$56,955	$102,519
	FTE	N/A	N/A	N/A	2	9

Program: Assessments						
Performance Goal: Develop the tools and methodology for and to assess the Nation's domestic nuclear detection capabilities through a combination of developmental and operational test and evaluation, as well as active red - teaming exercises.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Number of tests conducted annually to assess system capability.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	2	2
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of Red Teaming exercises conducted.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of Net Assessments performed.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Lead Organization: Domestic Nuclear Detection Office	$ Thousands	N/A	N/A	N/A	$26,668	$38,198
	FTE	N/A	N/A	N/A	3	15

Program: Operations Support						
Performance Goal: Establish and maintain a real-time situational awareness and support capability for the national nuclear detection architecture, including information analysis, technical reachback, and the development of training and operational response protocols.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Number of personnel trained in radiological and nuclear preventive detection skills.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	300	1,200
	Actual	N/A	N/A	N/A	N/A	N/A
Lead Organization: Domestic Nuclear Detection Office	$ Thousands	N/A	N/A	N/A	$26,838	$54,055
	FTE	N/A	N/A	N/A	3	43

Program: Radiological and Nuclear Forensics and Attribution						
Performance Goal: Provide the Nation with the ability to determine the origin and method of nuclear or radiological attack for the purpose of prosecution or other U.S. Government action.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: New program for FY 2007; Measure to be developed.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	N/A	N/A	N/A	N/A
	Actual	N/A	N/A	N/A	N/A	N/A
Lead Organization: Domestic Nuclear Detection Office	$ Thousands	N/A	N/A	N/A	N/A	$17,700
	FTE	N/A	N/A	N/A	N/A	6

Program: Accreditation						
Performance Goal: Accredit all Federal law enforcement training.						
DHS strategic objectives supported and % allocation of activities: 2.4 - 100.0%						
Measure: Total number of programs accredited and re-accredited through Federal Law Enforcement Training Accreditation (FLETA).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	2	5	9
	Actual	None	N/A	2	N/A	N/A
Lead Organization: Federal Law Enforcement Training Center	$ Thousands	None	None	$1,643	$1,356	$1,290
	FTE	None	None	9	9	7

Program: Law Enforcement Training						
Performance Goal: Provide the knowledge and skills to enable law enforcement agents and officers to fulfill their responsibilities.						
DHS strategic objectives supported and % allocation of activities: 2.4 - 100.0%						
Measure: Percent of students that express excellent or outstanding on the Student Quality of Training Survey (SQTS).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	64%	66%	67%
	Actual	None	None	64%	N/A	N/A
Measure: Percent of federal supervisors that rate their FLETC basic training graduate's preparedness as good or excellent	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	Baseline	73%	73%	74%
	Actual	None	73.4	90%	N/A	N/A
Measure: Percent of Partner Organizations (POs) that express an agree or strongly agree on the Partner Organization Satisfaction Survey (POSS)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	Baseline	78%	80%	82%	82%
	Actual	79%	92.7	92.7%	N/A	N/A
Lead Organization: Federal Law Enforcement Training Center	$ Thousands	None	None	$225,925	$278,178	$243,266
	FTE	None	None	940	992	1,009

Program: Detention and Removal						
Performance Goal: Remove all removable aliens from the United States.						
DHS strategic objectives supported and % allocation of activities: 2.2 - 100.0%						
Measure: Number of aliens with a final order removed in a quarter/Number of final orders that become executable in the same quarter (demonstrated as a percent).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	61%	79%	81%	81%	85%
	Actual	77.7%	80.7%	65.6	N/A	N/A
Lead Organization: United States Immigration and Customs Enforcement	$ Thousands	None	$1,377,528	$1,585,739	$1,814,540	$2,494,286
	FTE	None	4,940	4,798	6,086	6,937

Program: Office of Investigations						
Performance Goal: Prevent the exploitation of systemic vulnerabilities in trade and immigration that allow foreign terrorists, other criminals, and their organizations to endanger the American people, property, and infrastructure.						
DHS strategic objectives supported and % allocation of activities: 2.2 - 100.0%						
Measure: Percent of closed investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	Baseline	38.5%	39.0%
	Actual	None	N/A	37.9	N/A	N/A
Lead Organization: United States Immigration and Customs Enforcement	$ Thousands	None	$1,042,462	$1,427,133	$1,577,906	$1,686,635
	FTE	None	7,431	7,845	8,393	8,864

Program: Screening Coordination and Operations Office (SCO)						
Performance Goal: Enable Federal Immigration and Border Management agencies to make timely and accurate risk and eligibility decisions through coordination of screening capability policies, business strategy and processes, data, information systems, and technology to further enhance security and immigration, travel, and credentialing experiences.						
DHS strategic objectives supported and % allocation of activities: 2.1 - 50.0%, 6.4 - 50.0%						
Measure: Number of biometric watch list hits for visa applicants processed at consular offices.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	600	800	725
	Actual	None	None	897	N/A	N/A
Measure: Ratio of adverse actions to total biometric watch list hits at ports of entry.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	N/A	33%	36%
	Actual	None	None	30%	N/A	N/A
Measure: Number of biometric watch list hits for travelers processed at ports of entry.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	1,925	1,850	1,850
	Actual	None	None	2,059	N/A	N/A
Lead Organization: Screening Coordination Operations	$ Thousands	None	None	$345,000	$340,495	$403,454
	FTE	None	None	84	134	166

Program: Biological Countermeasures						
Performance Goal: Provide dependable risk analyses, effective systems for surveillance and detection, and reliable bioforensic analyses to protect the nation against biological attacks.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Number of bioaerosol collectors deployed in the top threat cities.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	223	223
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$178,591	$478,886	$402,979	$419,120
	FTE	None	48	100	100	161

Program: Chemical Countermeasures						
Performance Goal: Provide dependable risk analyses, effective systems for surveillance, detection, and cleanup, and reliable chemical forensic analyses to protect the nation against chemical attacks.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percent completion of an effective restoration capability to restore key infrastructure to normal operation after a chemical attack.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	25%	35%
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$25,278	$64,931	$100,745	$103,279
	FTE	None	10	25	25	40

Program: Explosives Countermeasures						
Performance Goal: Improve explosives countermeasures technologies and procedures to prevent attacks on critical infrastructure, key assets, and the public.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Cumulative number of air cargo and rail passenger explosives screening pilots initiated.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	4	7
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$7,675	$19,911	$46,661	$107,616
	FTE	None	3	11	61	41

Program: Threat Awareness Portfolio						
Performance Goal: Advance capabilities for threat discovery and awareness, information management and sharing, linkage of threats with vulnerabilities, and capability and motivation assessments for terrorist organizations.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Average of expert reviews of improvement in the national capability to assess threats of terrorist attacks.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	7	7
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$63,100	$89,174	$45,600	$49,532
	FTE	None	18	16	16	18

Program: Support to Department of Homeland Security Components						
Performance Goal: Develop effective technologies and tools to increase the capabilities of the Department of Homeland Security operational components to execute their mission to secure the homeland.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percentage of program funding dedicated to developing technologies in direct response to DHS components' requirements.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	80%	85%
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$25,500	$55,148	$84,838	$110,152
	FTE	None	19	46	53	42

Program: University Programs						
Performance Goal: Establish and sustain a coordinated university - based research, development and education system to enhance the Nation's homeland security.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percent of peer review adjectival ratings on University Programs' management and research and education programs that are very good or excellent.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	78%	80%
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$23,015	$120,064	$66,810	$64,596
	FTE	None	4	13	13	25

Program: Standards						
Performance Goal: Develop well - designed standards and test and evaluation protocols for products, services, and systems used by the Department of Homeland Security and its partners to ensure consistent and verifiable effectiveness.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percent of standards introduced that are adopted by Department of Homeland Security and partner agencies.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	67%	75%
	Actual	None	None	None	N/A	N/A
Measure: Number of Department of Homeland Security official technical standards introduced.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	15	20
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$33,758	$42,202	$37,117	$27,508
	FTE	None	6	9	9	11

Program: Emergent and Prototypical Technology (EPT)						
Performance Goal: Prevent terrorist attacks by developing effective capabilities to characterize, assess, and counter new and emerging threats and identify and rapidly develop, prototype, and commercialize innovative technologies to thwart terrorist attacks.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Average customer satisfaction with risk assessments and prototypical technology deliverables.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	NA	7.5
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	None	0	0	$24,176
	FTE	None	None	0	0	9

Program: Emerging Threats						
Performance Goal: Prevent terrorist attacks by developing effective capabilities to characterize, assess, and counter new and emerging threats.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Average customer satisfaction rating with risk assessments to identify potential future threats.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	7.5	(see EPT program)
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$11,668	$14,037	$8,484	$0
	FTE	None	2	9	9	0

Program: Rapid Prototyping						
Performance Goal: Identify and rapidly develop, prototype, and commercialize innovative technologies to thwart terrorist attacks.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Number of prototypes delivered through DHS funded projects through Technical Support Working Group (TSWG), Rapid Technology Application Program (RTAP) and Small Business Innovation Research (SBIR) program.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	4	(see EPT program)
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$69,430	$69,407	$37,117	$0
	FTE	None	4	7	7	0

Program: Counter Man-Portable Air Defense System (MANPADS)						
Performance Goal: Provide effective and economical capabilities to dramatically reduce the threat to commercial aircraft posed by man-portable anti-aircraft missiles.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Number of operational flight hours of Counter-MANPADS system conducted in a commercial aviation environment.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	300	3000
	Actual	None	None	None	N/A	N/A
Measure: Increase in Mean Flight Hours Between Failure (MFHBF) from Phase II to Phase III.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	1100	3000
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$17,133	$54,806	$116,652	$6,066
	FTE	None	2	7	7	2

Program: Interoperability Compatibility						
Performance Goal: Ensure interoperability and compatibility between emergency response agencies at the local, state, and federal levels and standardize federal testing and evaluation efforts for emergency response technologies.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percent of grant programs for public safety wireless communications that include "SAFECOM" Federal standards - approved grant guidance.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	100%	100%
	Actual	None	None	None	N/A	N/A
Measure: Percent of states that have initiated or completed a statewide interoperability plan, such as the Statewide Communications Interoperability Plan (SCIP).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	26%	36%
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$1,500	$7,133	$28,102	$36,959
	FTE	None	6	16	16	14

Program: Critical Infrastructure Protection						
Performance Goal: Produce actionable information and recommend reliable technologies to help protect U.S. critical infrastructure.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Number of analyses/simulations completed on the Critical Infrastructure Protection - Decision Support System (CIP - DSS) to provide actionable information to help protect U. S. critical infrastructure.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	4	8
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$12,118	$69,077	$43,267	$19,157
	FTE	None	1	8	13	7

Program: Cyber Security						
Performance Goal: Enable the creation of and migration to a more secure critical information infrastructure.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Cumulative number of cyber security data sets contained in protected repository.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	100	150
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$10,270	$18,709	$17,710	$28,256
	FTE	None	1	17	17	11

Program: SAFETY Act						
Performance Goal: Encourage the development and deployment of anti - terrorism technologies by awarding SAFETY Act benefits to homeland security technology producers.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percentage of full applications that receive liability protection under the SAFETY Act.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	65%	65%
	Actual	None	None	None	N/A	N/A
Lead Organization: Science and Technology Directorate	$ Thousands	None	$400	$1,122	$7,423	$5,854
	FTE	None	2	13	8	2

Program: Aviation Security						
Performance Goal: Reduce the probability of a successful terrorist or other criminal attack to the air transportation system by improved passenger and baggage screening processes.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 14.0%, 2.5 - 85.0%, 3.1 - 1.0%						
Measure: Percent of the nationally critical aviation transportation assets or systems that have been assessed during the fiscal year and have mitigation strategies in place to reduce risk.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	55%	33%	33%
	Actual	None	None	33%	N/A	N/A
Measure: Passenger screening covert test results (percent of screeners correctly identifying and resolving).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	Classified	Classified	Classified
	Actual	None	None	None	N/A	N/A
Measure: Level of the Customer Satisfaction Index (CSI-A) for Aviation Operations.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	81	82
	Actual	None	None	78	N/A	N/A
Measure: Baggage screening covert test results (percent of screeners correctly identifying and resolving).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	Classified	Classified	Classified
	Actual	None	None	None	N/A	N/A
Lead Organization: Transportation Security Administration	$ Thousands	None	None	$5,211,456	$5,097,119	$5,411,167
	FTE	None	None	52,135	48,977	48,889

Program: Surface Transportation Security						
Performance Goal: Reduce the probability of a successful terrorist or other criminal attack on surface transportation systems through the issuing of standards, compliance inspections, and vulnerability assessments.						
DHS strategic objectives supported and % allocation of activities: 1.2 - 5.0%, 2.5 - 95.0%						
Measure: Percent of nationally critical surface transportation assets or systems that have been assessed during the fiscal year and have mitigation strategies in place to reduce risk.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	.75%	3.57%	14.28%
	Actual	None	None	.75%	N/A	N/A
Lead Organization: Transportation Security Administration	$ Thousands	None	None	$36,000	$58,200	$37,200
	FTE	None	None	291	368	368

Program: Federal Air Marshal Service						
Performance Goal: Promote confidence in our nation's civil aviation system through the effective deployment of Federal Air Marshals to detect, deter, and defeat hostile acts targeting U.S. air carriers, airports, passengers, and crews.						
DHS strategic objectives supported and % allocation of activities: 2.5 - 57.0%, 3.1 - 43.0%						
Measure: Number of successful terrorist and other criminal attacks initiated from commercial passenger aircraft cabins with Federal Air Marshal Service (FAMS) coverage.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	0	0	0	0
	Actual	None	0	0	N/A	N/A
Measure: Percentage level in meeting Federal Air Marshal Service (FAMS) mission and flight coverage targets for each individual category of identified risk.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	Classified	Classified	Classified	Classified	Classified
	Actual	Classified	Classified	Classified	N/A	N/A
Lead Organization: Transportation Security Administration	$ Thousands	None	$610,290	$662,900	$712,160	$699,294
	FTE	Classified	Classified	Classified	Classified	Classified

Program: Marine Safety						
Performance Goal: Eliminate maritime fatalities and injuries on our Nations oceans and waterways.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 2.5 - 90.0%						
Measure: Maritime Injury and Fatality Index.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	1,543	1,513	1,317	1,280	1,273
	Actual	1,307	1,293	1,304	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$466,582	$487,391	$613,843	$741,574	$677,699
	FTE	3,159	3,223	5,528	4,005	3,996

Program: Drug Interdiction						
Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non - commercial maritime shipping sources.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 2.1 - 90.0%						
Measure: Removal rate for cocaine that is shipped via non-commercial maritime means. * Drug flow rate not yet available to calculate percent. Percent will be reported in the FY 2006 annual report.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	15%	19%	22%	26%
	Actual	None	30.7%	137.5 Metric Tons Seized. * (estimate)	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$747,820	$907,232	$1,017,478	$1,211,218	$1,239,474
	FTE	5,579	5,494	4,662	6,301	6,322

Program: Migrant Interdiction						
Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 2.1 - 87.5%, 6.3 - 2.5%						
Measure: Percentage of undocumented migrants who attempt to enter the U.S. via maritime routes that are interdicted or deterred.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	87%	87%	88%	89%	91%
	Actual	85.3%	87.1%	85.5%	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$449,315	$244,803	$548,675	$462,011	$486,625
	FTE	2,327	1,518	3,065	2,455	2,511

Program: Other LE (law enforcement)						
Performance Goal: Reduce the numbers of vessel incursions into the United States Exclusive Economic Zone (EEZ).						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 2.1 - 90.0%						
Measure: Number of incursions into the U.S. Exclusive Economic Zone.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	202	202	200	199	199
	Actual	153	247	171	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$274,300	$102,958	$94,642	$143,924	$152,569
	FTE	2,008	657	445	710	723

Program: Defense Readiness						
Performance Goal: Support our national security and military strategies by ensuring assets are at the level of readiness required by the combatant commander.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 2.4 - 90.0%						
Measure: Percent of time that Coast Guard assets included in the Combatant Commander Operational Plans are ready at a Status of Resources and Training System (SORTS) rating of 2 or better.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	100	100%	100%	100%	100%
	Actual	78	76%	69	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$586,733	$229,068	$612,554	$615,814	$602,632
	FTE	461	996	2,942	2,079	2,109

Program: Immigration Security and Integrity						
Performance Goal: Enhance the integrity of the legal immigration system.						
DHS strategic objectives supported and % allocation of activities: 2.6 - 100.0%						
Measure: Conduct Benefit Fraud Assessment on X (number of) Form Types and report as percentage of fraudulent cases found.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	baseline	3	2
	Actual	None	None	33% (I-360, Petition for Amerasian, Widow(er), or Special Immigrant), 1% (I-90, Application to Replace Permanent Resident Card)	N/A	N/A
Measure: Number of form types where procedural and/or legislative changes to counteract fraud are proposed as a result of Benefit Fraud Assessments	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	N/A	3	2
	Actual	None	None	None	N/A	N/A
Lead Organization: United States Citizenship and Immigration Services	$ Thousands	None	None	$290,186	$292,465	$295,408
	FTE	None	None	753	868	868

STRATEGIC GOAL - 3. PROTECTION - Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, and other emergencies.

Objectives established by the Department to achieve this goal are:

- 3.1 Protect the public from acts of terrorism and other illegal activities.
- 3.2 Reduce infrastructure vulnerability from acts of terrorism.
- 3.3 Protect our nation's financial infrastructure against crimes, to include currency and financial systems.
- 3.4 Secure the physical safety of the President, Vice President, visiting world leaders, and other protectees.
- 3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.
- 3.6 Protect the marine environment and living marine resources.
- 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Principle means and strategies to achieve these objectives are the following programs.

Program: Mitigation						
Performance Goal: Reduce the impact of natural hazards on people and property through the analysis and reduction of risks and the provision of flood insurance.						
DHS strategic objectives supported and % allocation of activities: 3.7 - 100.0%						
Measure: Potential property losses, disasters, and other costs avoided ($ in billions).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	$1.1B	$1.949B	$1.757B	$2.27B	$2.4B
	Actual	$1.1B	$1.949B	$1.895	N/A	N/A
Measure: Number of communities taking or increasing action to reduce their risk of natural or man - made disaster.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	500	500	710	585	585
	Actual	750	735	1,286	N/A	N/A
Measure: Percent of the national population whose safety is improved through the availability of flood risk data in Geospatial Information System (GIS) format.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	10%	10%	50%	50%	60%
	Actual	5%	15%	38.6	N/A	N/A
Lead Organization: Federal Emergency Management Agency	$ Thousands	$2,141,272	$2,535,636	$6,389,315	$2,685,254	$2,945,124
	FTE	510	731	936	851	918

Program: Readiness						
Performance Goal: Help ensure the nation is ready to respond to and recover from acts of terrorism, natural disasters, or other emergencies through implementation of the National Incident Management System (NIMS) and the provision of emergency management training.						
DHS strategic objectives supported and % allocation of activities: 3.7 - 100.0%						
Measure: Percent of respondents reporting they are better prepared to deal with disasters and emergencies as a result of training.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	87%	87%	80%	80%
	Actual	None	83%	84.3%	N/A	N/A
Measure: Percent of Federal, State, Local and Tribal Governments compliant with the National Incident Management System (NIMS).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	100%	100%	100%
	Actual	None	None	82%	N/A	N/A
Lead Organization: Federal Emergency Management Agency	$ Thousands	$1,206,248	$345,286	$136,300	$106,400	$118,483
	FTE	660	589	620	459	498

Program: National Security						
Performance Goal: Ensure all Federal Departments and Agencies have fully operational Continuity of Operations (COOP) and Continuity of Government (COG) capabilities.						
DHS strategic objectives supported and % allocation of activities: 3.5 - 100.0%						
Measure: Percent of fully operational Continuity of Government (COG) capabilities	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	75%	80%	70%	70%
	Actual	None	75%	20%	N/A	N/A
Measure: Percent of Federal Departments and Agencies with fully operational Continuity of Operations (COOP) capabilities	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	75%	80%	90%	95%	100%
	Actual	N/A	70%	90%	N/A	N/A
Lead Organization: Federal Emergency Management Agency	$ Thousands	$26,110	$27,865	$60,600	$69,000	$68,700
	FTE	111	116	132	179	187

Program: Protection of Federal Assets - Federal Protective Service						
Performance Goal: Complete and continuous law enforcement and security protection of federally controlled facilities, their tenants, and the visiting public.						
DHS strategic objectives supported and % allocation of activities: 3.1 - 74.0%, 3.2 - 22.0%, 3.5 - 4.0%						
Measure: Effectiveness of Federal Protective Service Operations measured by the Federal Facilities Security Index.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	baseline	100%	100%
	Actual	None	None	92%	N/A	N/A
Lead Organization: United States Immigration and Customs Enforcement	$ Thousands	None	$424,993	$436,414	$487,000	$516,011
	FTE	None	1,222	1,367	1,438	1,438

Program: National Preparedness Leadership and Coordination						
Performance Goal: Strengthen the Nation's capacity to prepare for and respond to natural or other disasters.						
DHS strategic objectives supported and % allocation of activities: 3.2 - 50.0%, 3.7 - 50.0%						
Measure: Percent of recommendations made by reviewing authorities (i.e., IG, OMB, GAO) that are implemented within 1 year.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	90%	90%	90%
	Actual	None	None	100%	N/A	N/A
Lead Organization: Preparedness	$ Thousands	None	None	$14,300	$14,157	$78,020
	FTE	None	None	17	32	48

Program: Infrastructure Protection						
Performance Goal: Protect the Nations high risk and most valued critical infrastructure and key resources (CI/KR) by characterizing and prioritizing assets, modeling and planning protective actions, building partnerships, and issuing targeted infrastructure protection grants.						
DHS strategic objectives supported and % allocation of activities: 1.2 - 25.0%, 3.2 - 50.0%, 3.7 - 25.0%						
Measure: Percent of identified high - priority critical infrastructure/key resources sites at which at least two suitable protective actions (PA) have been implemented.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	10%	20%
	Actual	None	None	None	N/A	N/A
Measure: Percent of high - priority critical infrastructure for which a Buffer Zone Protection Plan (BZPP) has been implemented.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	Baseline	70%	28%	38%
	Actual	None	None	18%	N/A	N/A
Measure: Percent of high - priority critical infrastructure/key resources (CI/KR) sites at which a vulnerability assessment (VA) has been conducted.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	10%	15%	25%
	Actual	None	None	14%	N/A	N/A
Measure: Percent of goals and objectives identified in Regional Transit Security Strategies addressed by grantee projects.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	N/A	53%	86%
	Actual	None	None	None	N/A	N/A
Measure: Percent of Radiological Emergency Preparedness Program communities with a nuclear power plant that are fully capable of responding to an accident originating at the site.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	89%	100%	100%
	Actual	None	None	None	N/A	N/A
Lead Organization: Preparedness	$ Thousands	None	None	$1,634,673	$1,460,731	$891,467
	FTE	None	None	322	443	484

Program: Cyber Security & Telecommunications						
Performance Goal: Improve the security of America's cyber and emergency preparedness telecommunications assets by working collaboratively with public, private, and international entities.						
DHS strategic objectives supported and % allocation of activities: 3.2 - 100.0%						
Measure: Government Emergency Telecommunications (GETS) call completion rate during periods of network congestion.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	90% (Baseline estimate)	90%	90%
	Actual	None	None	95.5%	N/A	N/A
Measure: Percent of targeted stakeholders who participate in or obtain cyber security products and services.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	50%	55%
	Actual	None	None	None	N/A	N/A
Lead Organization: Preparedness	$ Thousands	None	None	$234,074	$252,555	$272,468
	FTE	None	None	46	153	152

Program: Grants, Training & Exercise						
Performance Goal: Enhance the Nations preparedness by increasing the capability of states, territories, and local jurisdictions to prevent, protect against, respond to, and recover from terrorism and all - hazard events through the provision of grants, first responder training, technical assistance, and exercises.						
DHS strategic objectives supported and % allocation of activities: 3.7 - 100.0%						
Measure: Percent of jurisdictions demonstrating acceptable performance on applicable critical tasks in exercises using Grants and Training approved scenarios.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	23%	60%	64%
	Actual	None	None	40%	N/A	N/A
Measure: Percent of state and local homeland security agency grant recipients reporting measurable progress towards identified goals and objectives to prevent and respond to terrorist attacks.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	50%	50%	90%	100%
	Actual	None	None	35%	N/A	N/A
Measure: Average percentage increase in Weapons of Mass Destruction (WMD) and other knowledge, skills, and abilities of state and local homeland security preparedness professionals receiving training from pre and post assessments.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	37%	38%	38%
	Actual	None	None	38.5%	N/A	N/A
Measure: Percentage of homeland security strategies that are compliant with DHS planning requirements at the submission date.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	50%	84%
	Actual	None	None	None	N/A	N/A
Measure: Percent of participating urban area grant recipients reporting measurable progress made towards identified goals and objectives to prevent and respond to terrorist attacks.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	50%	90%	100%
	Actual	None	None	8%	N/A	N/A
Lead Organization: Preparedness	$ Thousands	None	None	$2,871,718	$2,313,981	$2,821,548
	FTE	None	None	62	163	162

Program: Medical Coordination						
Performance Goal: Ensure a coordinated and unified approach to represent medical readiness among the United States health community by providing data - driven, scientifically based policy and advice to advocate public health needs.						
DHS strategic objectives supported and % allocation of activities: 3.7 - 100.0%						
Measure: Percent of agencies providing timely bio-surveillance information to National Biosurveillance Integration System (NBIS).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	N/A	Baseline	15%	20%
	Actual	None	None	N/A	N/A	N/A
Lead Organization: Preparedness	$ Thousands	None	None	$12,499	$13,212	$15,017
	FTE	None	None	9	20	25

Program: Fire Prevention Assistance						
Performance Goal: Maximize the health and safety of the public and firefighting personnel against fire and fire - related hazards by providing assistance to fire departments and by training the Nations fire responders and health care personnel to prevent, protect against, respond to, and recover from fire - related events.						
DHS strategic objectives supported and % allocation of activities: 3.7 - 100.0%						
Measure: Ratio of on-scene fire incident injuries to total number of active firefighters.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	3.4	3.4
	Actual	None	None	N/A	N/A	N/A
Measure: Percent reduction in the rate of loss of life from fire-related events.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	15%	18%	21%
	Actual	None	None	None	N/A	N/A
Lead Organization: Preparedness	$ Thousands	N/A	N/A	$715,000	$648,450	$341,423
	FTE	N/A	N/A	None	156	157

Program: Living Marine Resources (LMR)						
Performance Goal: Achieve sustained fisheries regulation compliance on our Nations Oceans.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 3.6 - 90.0%						
Measure: Percent of fishermen complying with federal regulations.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	97	97	97	97	97
	Actual	97	96.3%	96.4%	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$503,580	$741,938	$720,113	$809,441	$808,968
	FTE	4,004	4,567	4,022	4,212	4,236

Program: Ports Waterways and Coastal Security (PWCS)						
Performance Goal: Reduce homeland security risk in the maritime domain.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 2.1 - 15.0%, 2.5 - 3.0%, 3.1 - 67.0%, 4.1 - 3.0%, 4.2 - 2.0%						
Measure: Ports, Waterways, and Coastal Security Risk *	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	Full implement ation of planned activities geared towards lowering the risk due to terrorism in the maritime domain.	14%	15%
Risk index reduced by 14%(CG risk) and 4%(all risk). 3.4% reported in the DHS FY 2005 Performance and Accountability Report.	Actual	None	T.B.D.	Activities imple-mented as planned. *	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$1,736,024	$1,833,794	$1,625,391	$1,734,717	$2,034,848
	FTE	11,613	14,670	12,268	12,916	13,206

Program: Domestic Protectees (DP)						
Performance Goal: Protect our nation's leaders and other protectees.						
DHS strategic objectives supported and % allocation of activities: 3.4 - 100.0%						
Measure: Percentage of Instances Protectees Arrive and Depart Safely.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	100%	100%	100%	100%	100%
	Actual	100%	100%	100%	N/A	N/A
Lead Organization: United States Secret Service	$ Thousands	None	$819,927	$792,670	$810,560	$845,955
	FTE	None	3,140	3,358	3,374	3,404

Program: Foreign Protectees and Foreign Missions (FP/FM)						
Performance Goal: Protect visiting world leaders.						
DHS strategic objectives supported and % allocation of activities: 3.4 - 100.0%						
Measure: Percentage of Instances Protectees Arrive and Depart Safely - Foreign Dignitaries.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	100%	100%	100%	100%	100%
	Actual	100%	100%	100%	N/A	N/A
Lead Organization: United States Secret Service	$ Thousands	None	$105,406	$124,807	$129,134	$130,781
	FTE	None	527	659	659	659

Program: Protective Intelligence (PI)						
Performance Goal: Reduce threats posed by global terrorists and other adversaries.						
DHS strategic objectives supported and % allocation of activities: 3.4 - 100.0%						
Measure: Number of Protective Intelligence Cases Completed.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	4,000	4,500	4,000	4,000	3,300
	Actual	3,927	3,992	4,614	N/A	N/A
Lead Organization: United States Secret Service	$ Thousands	None	$65,653	$68,857	$71,225	$72,534
	FTE	None	441	441	446	450

Program: Financial Investigations (FI)						
Performance Goal: Reduce loses to the public attributable to counterfeit currency, other financial crimes, and identity theft crimes that are under the jurisdiction of the Secret Service, which threaten the integrity of our currency and the reliability of financial payment systems worldwide.						
DHS strategic objectives supported and % allocation of activities: 3.3 - 100.0%						
Measure: Counterfeit Passed per Million Dollars of Genuine U.S. Currency.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	$74	$74	$74	$74	$74
	Actual	$58	$60	$80	N/A	N/A
Measure: Financial Crimes Loss Prevented (Billions).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	$1.5	$1.0	$1.5	$1.5	$1.5
	Actual	$2.5	$1.7	$1.8	N/A	N/A
Lead Organization: United States Secret Service	$ Thousands	None	$251,262	$315,794	$341,612	$340,571
	FTE	None	1,689	1,684	1,796	1,778

Program: Infrastructure Investigations						
Performance Goal: Reduce loses to the public attributable to electronic crimes and crimes under the jurisdiction of the Secret Service that threaten the integrity and reliability of the critical infrastructure of the country.						
DHS strategic objectives supported and % allocation of activities: 3.3 - 100.0%						
Measure: Financial Crimes Loss Prevented.(Millions)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	$150	$150	$150	$150
	Actual	N/A	$150	$556.2	N/A	N/A
Lead Organization: United States Secret Service	$ Thousands	None	$27,323	$49,172	$50,958	$53,862
	FTE	None	240	254	289	298

Program: Campaign Protection						
Performance Goal: Protect our Presidential and Vice Presidential Candidates and Nominees.						
DHS strategic objectives supported and % allocation of activities: 3.4 - 100.0%						
Measure: Percentage of Instances Protectees Arrive and Depart Safely.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	100%	100%	N/A	100%
	Actual	N/A	100%	100%	N/A	N/A
Lead Organization: United States Secret Service	$ Thousands	None	$64,557	$24,500	$0	$21,400
	FTE	None	236	120	0	24

STRATEGIC GOAL - 4. RESPONSE - Lead, manage and coordinate the national response to acts of terrorism, natural disasters, and other emergencies.

Objectives established by the Department to achieve this goal are:

- 4.1 Reduce the loss of life and property by strengthening response readiness.
- 4.2 Provide scalable and robust all-hazard response capability.
- 4.3 Provide search and rescue services to people and property in distress.

Principle means and strategies to achieve these objectives are the following programs..

Program: Response						
Performance Goal: Ensure the capability and readiness of all FEMA disaster response teams and logistics capabilities to respond quickly and effectively to provide assistance when and where needed.						
DHS strategic objectives supported and % allocation of activities: 4.1 - 67.6%, 4.2 - 32.4%						
Measure: Average percent of response teams reported at operational status.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	50%	85%	88%
	Actual	None	None	50%	N/A	N/A
Measure: Average response time in hours for emergency response teams to arrive on scene.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	72	60	48	36
	Actual	None	50	22	N/A	N/A
Measure: Average time in hours to provide essential logistical services to an impacted community of 50,000 or fewer.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	64	60	48
	Actual	None	None	65	N/A	N/A
Lead Organization: Federal Emergency Management Agency	$ Thousands	$962,285	$1,692,165	$9,468,000	$5,180,464	$517,532
	FTE	1,141	1,220	1,554	1,297	1,386

Program: Search and Rescue (SAR)						
Performance Goal: Save mariners in imminent danger on our Nations oceans and waterways.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 4.3 - 90.0%						
Measure: Percent of mariners in imminent danger saved.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	85% lives saved	85% lives saved	86% lives saved	86% lives saved	86% lives saved
	Actual	87.7%	86.8%	86.10%	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$681,978	$1,575,664	$910,887	$956,039	$879,796
	FTE	4,861	4,845	4,136	4,655	4,696

Program: Marine Environmental Protection (MEP)						
Performance Goal: Eliminate oil spills and chemical discharge incidents.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 3.6 - 29.0%, 4.1 - 12.0%, 4.2 - 33.0%, 5.2 - 16.0%						
Measure: The five-year average number of U.S. Coast Guard investigated oil spills greater than 100 gallons and chemical discharges into the navigable waters of the U.S. per 100 million short tons of chemical and oil products shipped in U.S. waters.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	42.6 or less	41 or less	20 or less	19 or less	19 or less
	Actual	29.4	22.1	18.5	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$242,008	$349,570	$255,124	$387,232	$331,710
	FTE	1,272	1,944	1,460	1,360	1,376

STRATEGIC GOAL - 5. RECOVERY - **Lead national, state, local and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disaster, or other emergencies.**

Objectives established by the Department to achieve this goal are:

- 5.1 Strengthen nationwide recovery plans and capabilities.
- 5.2 Provide scalable and robust all-hazard recovery assistance.

Principle means and strategies to achieve these objectives are the following programs.

Program: Recovery						
Performance Goal: Help individuals and communities affected by federally declared disasters return to normal function quickly and efficiently, while planning for catastrophic disaster recovery operations.						
DHS strategic objectives supported and % allocation of activities: 5.1 - 7.2%, 5.2 - 92.8%						
Measure: Percent of customers satisfied with Public Recovery Assistance	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	87%	87%	88%	88%
	Actual	None	89.2%	Data Not Available	N/A	N/A
Measure: Percent of customers satisfied with Individual Recovery Assistance	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	90%	90%	90%	90%
	Actual	None	90.4%	93%	N/A	N/A
Lead Organization: Federal Emergency Management Agency	$ Thousands	$2,128,969	$3,266,582	$33,812,600	$2,285.800	$1,677,043
	FTE	3,056	2,821	4,406	2,957	2,981

STRATEGIC GOAL - 6. SERVICE - Serve the public effectively by facilitating lawful trade, travel and immigration.

Objectives established by the Department to achieve this goal are:

- 6.1 Increase understanding of naturalization, and its privileges and responsibilities.
- 6.2 Provide efficient and responsive immigration services that respect the dignity and value of individuals.
- 6.3 Support the United States humanitarian commitment with flexible and sound immigration and refugee programs.
- 6.4 Facilitate the efficient movement of legitimate cargo and people.

Principle means and strategies to achieve these objectives are the following programs.

Program: Aids to Navigation (AtoN)						
Performance Goal: Eliminate collisions, allisions and groundings by vessels on our Nations oceans and waterways.						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 6.4 - 90.0%						
Measure: Five-Year Average of Number of Collisions, Allisions, and Groundings (CAG)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	2,010 or fewer	1,923 or fewer	1,831 or fewer	1,748 or fewer	1,664 or fewer
	Actual	1,523	1,876	1825	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$928,429	$945,827	$1,152,794	$1,086,817	$1,060,816
	FTE	7,804	6,749	6,985	7,521	7,521

Program: Ice Operations						
Performance Goal: Maintain operational channels for navigation, limiting channel closures to two days (during average winters) and eight days (during severe winters).						
DHS strategic objectives supported and % allocation of activities: 1.1 - 1.0%, 1.4 - 9.0%, 6.4 - 90.0%						
Measure: Limit the number of days critical waterways are closed due to ice to 2 days in an average winter and 8 days in a severe winter.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	2(avg), 8 (severe)	2(avg), 8 (severe)	2(avg), 8 (severe)	2(avg), 8 (severe)	2(avg), 8 (severe)
	Actual	7 (severe)	4 closure days, average winter	0 Closures	N/A	N/A
Lead Organization: United States Coast Guard	$ Thousands	$195,024	$184,793	$185,926	$151,406	$146,938
	FTE	1,529	1,295	1,149	907	911

gram: Adjudication Services

formance Goal: Provide immigration benefit services in a timely, consistent, and accurate manner.

S strategic objectives supported and % allocation of activities: 2.6 - 1.0%, 6.2 - 89.0%, 6.3 - 10.0%

asure: Actual cycle time to cess form I - 485 (Application to gister for Permanent Residence or djust Status).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	15 months or less	6 months or less	6 months or less
	Actual	None	None	13.9	N/A	N/A
asure: Actual cycle time to cess form I - 129 (Petition for nimmigrant Worker).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	2 months or less	2 months or less	2 months or less
	Actual	None	None	1.5	N/A	N/A
asure: Actual cycle time to cess form N - 400 (Application Naturalization).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	10 months or less	6 months or less	6 months or less
	Actual	None	None	10.9	N/A	N/A
asure: Number of refugee erviews conducted.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	up to 90,000	up to 90,000	up to 90,000
	Actual	None	None	58,937	N/A	N/A
asure: Percent of asylum reform errals (at local offices) completed thin 60 days of receipt.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	75%	75%	75%
	Actual	None	None	79%	N/A	N/A
ad Organization: United States tizenship and Immigration rvices	$ Thousands	None	None	$1,340,286	$1,447,743	$1,404,8
	FTE	None	None	7,471	7,511	7,061

ogram: Information and Customer Service

rformance Goal: Provide timely, consistent, and accurate information to our customers.

HS strategic objectives supported and % allocation of activities: 6.2 - 100.0%

easure: Customer satisfaction rate ith USCIS phone centers.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 200
	Target	None	None	78%	79%	79%
	Actual	None	None	75.5%	N/A	N/A
ead Organization: United States itizenship and Immigration ervices	$ Thousands	None	None	$138,000	$141,000	$278,9
	FTE	None	None	1,790	1,790	2,15

rogram: Citizenship

erformance Goal: Enhance educational resources and promote opportunities to support immigrants integration nd participation in American civic culture.

HS strategic objectives supported and % allocation of activities: 6.1 - 100.0%

leasure: Significant Outreach per TE	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 20
	Target	None	None	baseline	96	96
	Actual	None	None	21	N/A	N/A
ead Organization: United States Citizenship and Immigration ervices	$ Thousands	None	None	$6,528	$6,642	$6,77
	FTE	None	None	38	38	38

STRATEGIC GOAL - 7. ORGANIZATIONAL EXCELLENCE - Value our most important resource, our people. Create a culture that promotes a common identity, innovation, mutual respect, accountability, and teamwork to achieve efficiencies, effectiveness, and operational synergies.

Objectives established by the Department to achieve this goal are:

- 7.1 Value our people
- 7.2 Drive toward a single Departmental culture
- 7.3 Continually improve our way of doing business

Principle means and strategies to achieve these objectives are the following programs.

Program: Audit, Inspections, and Investigations Program

Performance Goal: Add value to the DHS programs and operations; ensure integrity of the DHS programs and operations; and enable the OIG to deliver quality products and services.

DHS strategic objectives supported and % allocation of activities: 7.3 - 100.0%

Measure: Percentage of recommendations made by OIG that are accepted by the Department of Homeland Security.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	Baseline	75%	79%	83%
	Actual	None	92%	93%	N/A	N/A
Lead Organization: Inspector General	$ Thousands	$71,000	$80,318	$97,317	$82,187	$96,185
	FTE	456	457	502	540	545

Program: Office of the Chief Information Officer

Performance Goal: The Department of Homeland Security components and stakeholders have world class information technology leadership and guidance enabling them to efficiently and effectively achieve their vision, mission and goals.

DHS strategic objectives supported and % allocation of activities: 1.1 - 7.28%, 7.3 - 92.72%

Measure: Percentage of major IT projects that are within 10% of cost/schedule/performance objectives.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	Baseline	70%	85%	90%
	Actual	None	52%	81%	N/A	N/A
Lead Organization: Management Directorate	$ Thousands	None	$265,047	$275,270	$294,257	$323,765
	FTE	None	78	82	78	87

Program: Counterterrorism Fund

Performance Goal: Operating entities of the Department and other Federal agencies are promptly reimbursed for authorized unforeseen expenses arising from the prevention of or response to terrorist attacks.

DHS strategic objectives supported and % allocation of activities: 7.3 - 100.0%

Measure: Percent of qualifying reimbursements that are made with established standards of timeliness and proper authorization.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	n/a	100%	100%	100%	100%
	Actual	n/a	100%	n/a	N/A	N/A
Lead Organization: Management Directorate	$ Thousands	$20,000	$10,000	$8,000	$1,980	$0
	FTE	0	0	0	0	0

Program: Office of the Secretary and Executive Management						
Performance Goal: Provide comprehensive leadership, management, oversight, and support to improve the efficiency and effectiveness of the Department.						
DHS strategic objectives supported and % allocation of activities: 7.3 - 100.0%						
Measure: Percent of DHS strategic objectives with programs that meet their associated performance targets.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	44%	90	95
	Actual	None	None	84.9%	N/A	N/A
Lead Organization: Management Directorate	$ Thousands	None	$80,317	$82,700	$125,898	$97,508
	FTE	None	12	361	416	451

Program: Office of the Under Secretary for Management						
Performance Goal: Improve the effective and efficient delivery of business and management services throughout the Department.						
DHS strategic objectives supported and % allocation of activities: 7.3 - 100.0%						
Measure: Percent of Under Secretary of Management programs that meet their associated performance targets.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	None	75% or more. (baseline estimate)	80% or more
	Actual	None	None	None	N/A	N/A
Lead Organization: Management Directorate	$ Thousands	None	$59,541	$151,153	$167,147	$209,138
	FTE	None	6	173	265	318

Program: Office of the Chief Financial Officer						
Performance Goal: Develop and Maintain a Department - wide financial system that produces financial data that is timely, reliable, and useful to decision makers; strengthen accountability by ensuring that internal controls are in place across the Department and oversight reviews are conducted						
DHS strategic objectives supported and % allocation of activities: 7.3 - 100.0%						
Measure: Percentage decrease in the number of the previous year's reportable conditions that are considered to be material weaknesses at the consolidated audit level.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	20%	25%	100%
	Actual	None	None	0%	N/A	N/A
Lead Organization: Management Directorate	$ Thousands	None	$10,530	$13,000	$19,211	$44,380
	FTE	None	20	71	87	102

Verification and Validation of Measured Performance Values

For each performance measure presented in this Performance Budget Overview a description of the means used to verify and validate reported measured values is reported in Appendix A which is posted on the DHS web site at www.dhs.gov under 'Organization – Budget".

The appendix includes for each measure the source of the data, how it is collected, and an assessment of the reliability of data. Reliability is classified either as:

- Reliable – the standard for reliability is determined by Office of Management and Budget guidance, OMB Circular A-11, Section 230 (f). At minimum, performance data are considered reliable if agency managers and decision makers use the data on an ongoing basis in the normal course of their duties. Performance data are considered reliable if transactions and other data that support reported performance measures are properly recorded, processed, and summarized to permit the preparation of performance information in accordance with criteria stated by management. Performance data need not be perfect to be reliable, particularly if the cost and effort to secure the best performance data possible will exceed the value of any data so obtained.

- Inadequate – the data does not meet the standard for reliable. In this instance, an explanation of plans to make the information reliable is included.

- T. B. D. New Measure – a new measure for which reliability will be determined.

Future year targeted levels of performance reflect the informed business judgment of program managers. Historical information informs these estimates. In a limited number of instances where historical information is not available targets are identified as estimates.

Interim Adjustments to the Strategic Plan

Continuous use of the DHS strategic plan during FY 2005 resulted in realization that some of the strategic objectives could be revised. Accordingly adjustments were selectively made that do not produce widespread changes in the plan, but are reportable under provisions of OMB Circular A-11, Section 210.4. The original and revised objectives are:

Original Objective	Revised Objective
1.1 – Gather and fuse all terrorism related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.	1.1 - Gather, fuse, and analyze all terrorism and threat related intelligence.
1.3 - Provide timely, actionable and valuable information based on intelligence analysis and vulnerability assessments.	1.3 - Provide timely, actionable, accurate, and relevant information based on intelligence analysis and vulnerability assessments to homeland security partners, including the public.
1.4 – Ensure quick and accurate dissemination of relevant intelligence information to homeland security partners, including the public.	1.4 - Develop a Common Operating Picture for domestic situational awareness, including air, land, and sea.
2.1 - Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity.	2.1 - Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws.
2.4 – Ensure national and international policy, law enforcement and other actions to prepare for and prevent terrorism are coordinated.	2.4 - Coordinate national and international policy, law enforcement and other actions to prevent terrorism.
3.3 - Protect against financial and electronic crimes, counterfeit currency, illegal bulk currency movement and identity theft.	3.3 - Protect our nation's financial infrastructure against crimes, to include currency and financial systems.
7.1 Protect confidentiality and data integrity to ensure privacy and security. 7.3 Ensure effective recruitment, development, compensation, succession management and leadership of a diverse workforce to provide optimal service at a responsible cost.	7.1 Value our people
7.2 Integrate legacy services within the Department improving efficiency and effectiveness.	7.2 Drive toward a single Departmental culture
7.4 Improve the efficiency and effectiveness of the Department, ensuring taxpayers get value for their tax dollars. 7.5 Lead and promote E-Government modernization and interoperability initiatives. 7.6 Fully integrate the strategic planning, budgeting and evaluation processes to maximize performance. 7.7 Provide excellent customer service to support the mission of the Department.	7.3 Continually improve our way of doing business

FY 2007 Budget Overview

	FY 2005 Revised Enacted [1]		FY 2006 Revised Enacted [2]		FY 2007 Pres. Budget		FY 2007 +/- FY 2006		Percent FY 2007 +/- FY 2006	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Net Discretionary:	161,290	$ 28,917,594	163,684	$ 30,773,529	167,871	$ 30,950,671	4,187	$ 177,142	3%	1%
Discretionary Fees:	-	2,993,579	-	2,659,854	-	4,454,906	-	1,795,052	-	67%
Less rescission of prior year carryover: [3]	-	*(104,760)*	-	*(148,603)*	-	*(16,000)*	-	*132,603*	-	-89%
Gross Discretionary	**161,290**	**31,806,413**	**163,684**	**33,284,780**	**167,871**	**35,389,577**	**4,187**	**2,104,797**	**3%**	**6%**
Mandatory, Fee, Trust Funds:	18,199	6,563,104	18,407	7,060,567	18,421	7,313,245	14	252,678	-	4%
Total Budget Authority (excl. BioShield):	179,489	$ 38,369,517	182,091	$ 40,345,347	186,292	$ 42,702,822	4,201	$ 2,357,475	2%	6%
Project BioShield: [4]	-	$2,507,776	-	-	-	-	-	-	-	-
Supplemental: [5]	157	$67,329,867	40	$ 332,383	-	-	-	-	-	-
Less rescission of prior year supplemental: [6]	-	-		*$ (23,409,300)*	-	-	-	-	-	-

1/ FY 2005 includes rescission (-$20.224 million) pursuant to P.L. 108-447 (applicable to BioShield funding) and rescissions pursuant to P.L. 109-13 for Defense, Global War on Terror and Tsunami relief (-$165 million: -$3.8 million - Departmental Operations & Management, -$85.2 million - ICE, -$76 million - CBP).

2/ FY 2006 reflects a one percent across the board rescission (-$307.124 million), and USCG Operating Expenses rescission (-$260.533 million) pursuant to P.L. 109-148.

3/ Reflects scorekeeping adjustment for rescission of prior year unobligated balances: FY 2005 enacted rescission of prior year unobligated balances from CBP (-$63.010 million), FEMA (-$5 million), and USSS (-$750 thousand), USCG (-$16 million) and Working Capital Fund (-$20 million); FY 2006 enacted rescission of prior year unobligated balances from USCG (-$100.103 million), TSA (-$5.5 million), S&T (-$20 million), Counterterrorism Fund (-$8 million), and Working Capital Fund (-$15 million); FY 2007 President's Budget proposes a rescission of prior year unobligated balances from the Counterterrorism Fund (-$16 million).

4/ In order to obtain comparable totals, BioShield funding is excluded from total Budget Authority. Funds appropriated in FY 2005 are part of an advance appropriation available for obligation through FY 2008.

5/ In order to obtain comparable totals, the above chart excludes FY 2005 supplemental funding pursuant to: P.L. 108-324 for Hurricane Relief ($6.534 billion: $6.5 billion - FEMA, and 33.367 million - USCG), P.L. 109-13 for Defense, Global War on Terror and Tsunami relief ($796.5 million: $161.5 million - USCG, $4.450 million - FLETC, $454.250 million - ICE, and $176.3 million - CBP), P.L. 109-61 for Hurricane Katrina ($10 billion - FEMA) and P.L. 109-62 ($60 billion:
$49.985 billion - FEMA, $15 million - OIG); FY 2006 supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($285.1 million: $206.5 million - USCG, $3.6 million - USSS, $17.2 million - FEMA, $10.3 million - PREP, $13 million - ICE, $34.5 million - CBP) and for Avian Flu ($47.283 million - provided to Office of the Secretary and Executive Management for distribution throughout the Department).

6/ Reflects scorekeeping adjustment pursuant to P.L. 109-148 for rescission (-$23.409 billion) of prior year unobligated balances from P.L. 109-62 Hurricane Katrina supplemental for FEMA Disaster Relief.

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Department of Homeland Security
FY 2007 Detail Table
February 6, 2006 - President's Budget

	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
TITLE I - DEPARTMENTAL MANAGEMENT AND OPERATIONS				
Departmental Operations				
Office of the Secretary and Executive Management:				
Immediate Office of the Secretary	2,141	2,369	3,148	779
Immediate Office of the Deputy Secretary	1,112	1,121	1,648	527
Office of Security	28,024	---	---	---
Chief of Staff	5,240	2,221	2,901	680
Executive Secretary	3,500	4,090	5,001	911
Office of Policy	0	20,506	31,093	10,587
Special Assistant to the Secretary/Private Sector	3,781	---	---	---
Office of National Capitol Region Coordinator	688	---	---	---
Office of International Affairs	1,200	---	---	---
Office of Public Affairs	8,120	8,229	6,808	-1,421
Office of Legislative and Intergovernmental Affairs	5,400	6,262	6,479	217
Office of General Counsel	10,821	11,154	14,065	2,911
Office of Civil Rights and Liberties	13,000	12,870	13,125	255
Citizenship and Immigration Services Ombudsman	3,546	3,615	5,927	2,312
Homeland Security Advisory Committee	1,287	---	---	---
Privacy Officer	3,774	4,337	4,435	98
Office of Counternarcotics Enforcement	---	1,841	2,878	1,037
Supplemental Appropriation (P.L. 109-148): Avian Flu	---	47,283	---	-47,283
Rescission, Supplemental (P.L. 109-13)	-500	---	---	---
Subtotal, Office of the Secretary and Executive Management	**91,134**	**125,898**	**97,508**	**-28,390**
Office of Screening Coordination and Operations	**---**	**3,960**	**3,960**	**---**
Office of the Under Secretary for Management:				
Under Secretary for Management	1,434	1,670	2,012	342
Office of Security	---	50,765	58,514	7,749
Business Transformation Office	920	1,861	2,017	156
Office of the Chief Procurement Officer	7,350	8,930	16,895	7,965
Office of Human Resources	7,200	---	---	---
Office of the Chief Human Capital Officer:				
Salaries and Expenses	---	8,811	9,827	1,016
MAX - HR System	---	29,700	71,449	41,749
Subtotal, Office of the Chief Human Capital Officer	---	38,511	81,276	42,765
Office of Administration	24,470	---	---	---
Office of the Chief Administrative Officer:				
Salaries and Expenses	---	39,600	40,218	618
Nebraska Avenue Complex (NAC - DHS Headquarters)	---	25,810	8,206	-17,604
Subtotal, Office of the Chief Administrative Officer	---	65,410	48,424	-16,986
Immigration statistics	5,398	---	---	---
Headquarters	65,081	---	---	---
Human resources system	36,000	---	---	---
Subtotal, Office of the Under Secretary for Management	**147,853**	**167,147**	**209,138**	**41,991**
Office of the Chief Financial Officer	**13,000**	**19,211**	**44,380**	**25,169**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Office of the Chief Information Officer:				
Salaries and expenses	67,970	74,999	79,521	4,522
Information technology services	90,300	82,609	61,013	-21,596
Security activities	31,000	18,810	64,139	45,329
Wireless program	86,000	85,140	86,438	1,298
Homeland Secure Data Network	---	32,699	32,654	-45
Subtotal, Office of the Chief Information Officer	**275,270**	**294,257**	**323,765**	**29,508**
Analysis and Operations	**---**	**252,940**	**298,663**	**45,723**
Total, Departmental Operations	527,257	563,413	977,414	114,001
Office of Inspector General				
Operating expenses	82,317	82,187	96,185	13,998
Emergency Appropriations (PL109-62)	15,000	---	---	---
Total, Office of Inspector General	97,317	82,187	96,185	13,998
Appropriations	97,317	82,187	96,185	13,998
Total, Title I, Departmental Management and Operations	624,574	945,600	1,073,599	127,999
Appropriations	624,574	945,600	1,073,599	127,999
TITLE II - SECURITY, ENFORCEMENT, AND INVESTIGATIONS				
Office of the Under Secretary for Border and Transportation Security	9,617	---	---	---
U.S. Visitor and Immigrant Status Indicator Technology	340,000	336,600	399,494	62,894
Customs and Border Protection				
Salaries and expenses	1,172,838	---	---	---
Salaries and expenses:				
M&A, Border Security Inspections and Trade Facilitation	---	668,868	663,943	-4,925
M&A, Border Security and Control between Ports of Entry	---	587,782	594,446	6,664
Subtotal, Headquarters Management and Administration	---	1,256,650	1,258,389	1,739
Border Security Inspections and Trade Facilitation:				
Inspections, Trade, and Travel Facilitation at Ports of Entry	1,242,800	1,249,648	1,282,102	32,454
Harbor Maintenance Fee Collection (Trust Fund)	3,000	3,000	3,026	26
Container Security Initiative	126,096	137,402	139,312	1,910
Other international programs	57,300	8,543	8,701	158
Customs Trade Partnership Against Terrorism / FAST/NEXUS/SENTRI	37,828	74,515	75,909	1,394
Inspection and Detection Technology Investments	145,159	62,394	94,317	31,923
Automated Targeting Systems	29,800	27,970	27,298	-672
National Targeting Center	16,100	16,530	23,635	7,105
Other Technology Investments, including information technology	1,000	1,008	1,027	19
Training	23,800	24,107	24,564	457
Subtotal, Border Security Inspections and Trade Facilitation	1,682,883	1,605,117	1,679,891	74,774

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	**FY 2006 Revised Enacted**	**FY 2007 President's Budget**	**FY 2007 Change +/- FY 2006**
Border Security and Control between Ports of Entry:				
Border Security and Control	1,413,800	1,725,547	2,243,619	518,072
Air Program Operations	37,300	---	---	---
Unmanned Aerial Vehicles	10,000	---	---	---
America Shield Initiative (ASI) (formerly ISIS) Procurement	64,162	30,971	131,559	100,588
Training	21,700	21,981	45,688	23,707
Subtotal, Border Security and Control between POEs	1,546,962	1,778,499	2,420,866	642,367
Air and Marine Operations, Personnel Compensation and Benefits	131,436	161,924	159,876	-2,048
Emergency Supplemental Appropriations (PL 109-13):				
Salaries and Expenses (emergency)	49,075	---	---	---
Salaries and Expenses	75,350	---	---	---
Subtotal, Emergency Supplemental Appropriations (PL 109- 13)	124,425	---	---	---
Subtotal, Salaries and Expenses (gross)	4,658,544	4,802,190	5,519,022	716,832
Appropriations	4,658,544	4,802,190	5,519,022	716,832
Rescissions	-76,000	---	---	---
Subtotal, Salaries and Expenses (net)	**4,582,544**	**4,802,190**	**5,519,022**	**716,832**
Automation modernization:				
Automated commercial environment/International Trade Data System (ITDS)	321,690	316,800	318,490	1,690
Automated commercial system and legacy IT costs	128,219	134,640	142,717	8,077
Subtotal, Automation modernization	**449,909**	**451,440**	**461,207**	**9,767**
Air and Marine Interdiction, Operations, Maintenance, and Procurement:				
Operations and maintenance	196,535	270,499	276,319	5,820
Unmanned aerial vehicles	---	---	---	---
Procurement	61,000	125,730	61,380	-64,350
Subtotal, Air & Marine Interdiction, Ops, Maint. & Proc	**257,535**	**396,229**	**337,699**	**-58,530**
Construction:				
Construction (Border Patrol)	91,718	277,700	255,954	-21,746
Emergency Supplemental Appropriations (PL 109-13) (emergency)	51,875	---	---	---
Subtotal, Construction	**143,593**	**277,700**	**255,954**	**-21,746**
Total, Direct appropriations	**5,433,581**	**5,927,559**	**6,573,882**	**646,323**
Fee accounts:				
Immigration inspection user fee	429,000	503,137	529,300	26,163
Immigration enforcement fines	6,000	1,638	1,724	86
Land border inspection fee	28,000	23,969	28,071	4,102
COBRA passenger inspection fee	318,000	365,521	387,804	22,283
APHIS inspection fee	204,000	211,120	214,287	3,167
Puerto Rico collections	89,000	97,815	97,815	---
Small Airport User Fee--discretionary	5,004	6,048	6,230	182
Subtotal, fee accounts	**1,079,004**	**1,209,248**	**1,265,231**	**55,983**
Trust Fund:				
Customs Unclaimed Goods	8,113	7,568	7,568	---
Subtotal, trust fund accounts	**8,113**	**7,568**	**7,568**	**---**
Total, Customs and Border Protection	6,520,698	7,144,375	7,846,681	702,306
Appropriations	5,433,581	5,927,559	6,573,882	646,323
Fee accounts	1,079,004	1,209,248	1,265,231	---
Trust fund accounts	8,113	7,568	7,568	---

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Immigration and Customs Enforcement				
Salaries and expenses:				
Headquarters Management and Administration (non-DRO):				
Personnel Compensation and Benefits, service and other costs	122,297	122,783	---	-122,783
Headquarters Managed IT Investment	130,664	137,772	---	-137,772
Subtotal, Headquarters Management and Administration	**252,961**	**260,555**	**---**	**-260,555**
Legal Proceedings	**124,166**	**128,879**	**206,511**	**77,632**
Investigations:				
Domestic	1,068,646	1,185,355	1,456,650	271,295
International	95,287	100,899	104,744	3,845
Subtotal, Investigations	**1,163,933**	**1,286,254**	**1,561,394**	**275,140**
Intelligence:				
Intelligence	48,092	52,256	57,932	5,676
Subtotal, Intelligence	**48,092**	**52,256**	**57,932**	**5,676**
Detention and Removal Operations:				
Custody Operations	864,126	1,005,726	1,432,702	426,976
Fugitive Operations	79,049	101,852	173,784	71,932
Institutional Removal Program	53,518	93,029	110,250	17,221
Alternatives to Detention	20,712	28,212	42,702	14,490
Transportation and Removal Program	200,987	133,651	317,016	183,365
Subtotal, Detention and Removal Operations	**1,218,392**	**1,362,470**	**2,076,454**	**713,984**
Subtotal, Salaries and expenses	**2,807,544**	**3,090,414**	**3,902,291**	**811,877**
Appropriations	2,807,544	3,090,414	3,902,291	811,877
Federal Air Marshals:				
Management and Administration	593,552	---	---	---
Travel and Training	69,348	---	---	---
Subtotal, Federal Air Marshals	**662,900**	**---**	**---**	**---**
Federal Protective Service:				
Basic security	106,362	109,235	123,310	14,075
Building specific security (incl. capital equip. replacement/acquisition)	371,638	377,765	392,701	14,936
Subtotal, Federal Protective Service	**478,000**	**487,000**	**516,011**	**29,011**
Offsetting fee collections	-478,000	-487,000	-516,011	-29,011
Automation modernization:				
ATLAS/CHIMERA IT connectivity	**39,605**	**39,748**	**---**	**-39,748**
Construction	**26,179**	**26,281**	**26,281**	**---**
Total, Direct appropriations (net)	3,536,228	3,156,443	3,928,572	772,129
Fee accounts:				
Immigration inspection user fee	100,000	100,000	108,000	8,000
Breached bond/detention fund	90,000	87,000	90,000	3,000
Student exchange and visitor fee	40,000	49,000	54,349	5,349
Subtotal, fee accounts	**230,000**	**236,000**	**252,349**	**16,349**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Total, Immigration and Customs Enforcement (gross)	**4,244,228**	**3,879,443**	**4,696,932**	**817,489**
Offsetting Collections	**-478,000**	**-487,000**	**-516,011**	**-29,011**
Total, Immigration and Customs Enforcement (net)	**3,766,228**	**3,392,443**	**4,180,921**	**788,478**
Appropriations	3,536,228	3,156,443	3,928,572	772,129
Fee accounts	**230,000**	**236,000**	**252,349**	**16,349**
Transportation Security Administration				
Aviation Security:				
Screening Operations:				
Screener Workforce:				
Privatized Screening	129,654	138,868	148,600	9,732
Passenger Screener - personnel, compensation, and benefits	1,445,486	1,511,393	1,556,226	44,833
Baggage Screener - personnel, compensation, and benefits	848,860	879,027	913,974	34,947
Subtotal, Screener Workforce	2,424,000	2,529,288	2,618,800	89,512
Screening Training and Other:				
Passenger screeners, other	140,614	23,618	23,352	-266
Baggage screeners, other	203,660	134,036	133,114	-922
Screener training	0	87,509	88,000	491
Subtotal, Screening Training and Other	344,274	245,163	244,466	-697
HR Services	150,000	206,068	207,234	1,166
CAPPS II (Secure Flight)	34,919	---	---	---
Crew Vetting	10,000	---	---	---
Registered traveler	15,000	---	---	---
Checkpoint Support	123,500	164,072	173,366	9,294
EDS/ETD Systems:				
EDS/ETDF Purchase	180,000	174,016	91,000	-83,016
EDS/ETD Installation	45,000	44,747	94,000	49,253
EDS/ETD Maintenance	174,940	198,875	234,000	35,125
Operation Integration	0	22,871	23,000	129
Subtotal, EDS/ETD Systems	399,940	440,509	442,000	1,491
Subtotal, Screening Operations	**3,501,633**	**3,585,100**	**3,685,866**	**100,766**
Aviation Direction and Enforcement:				
Aviation Regulation and Other Enforcement	230,000	221,165	217,516	-3,649
Airport Management, IT, and Support	526,890	682,173	666,032	-16,141
FFDO and Flight Crew Training	25,000	30,328	30,470	142
Air Cargo	40,000	54,691	55,000	309
Airport Perimeter Security	---	4,972	---	-4,972
Foreign Repair Stations	---	2,983	---	-2,983
Subtotal, Aviation Direction and Enforcement	**821,890**	**996,312**	**969,018**	**-27,294**
Flight School Checks (by transfer)	**5,000**	**---**	**---**	**---**
Subtotal, Aviation Security (gross)	**4,328,523**	**4,581,412**	**4,654,884**	**73,472**
Offsetting fee collections (discretionary)	**-2,330,000**	**-2,010,000**	**-3,736,206**	**-1,726,206**
Offsetting fee collections (mandatory): Flight School Checks	**-5,000**	**---**	**---**	**---**
Subtotal, Aviation Security (net)	**1,993,523**	**2,571,412**	**918,678**	**-1,652,734**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Surface Transportation Security:				
Staffing and operations	24,000	23,760	24,000	240
Enterprise Staffing	---	---	---	---
Transfer to credentialing activities	-27,000	---	---	---
TWIC	15,000	---	---	---
Credentialing Start-Up	5,000	---	---	---
Hazardous materials security	17,000	---	---	---
Port Security Incident Response				
Grants				
Hazardous Materials Truck Tracking/Training	2,000	3,960	---	-3,960
Rail Security Inspectors and Canines	12,000	7,920	13,200	5,280
Subtotal, Surface Transportation Security	**48,000**	**35,640**	**37,200**	**1,560**
Credentialing activities	**67,000**	---	---	---
Offsetting collections	-67,000	---	---	---
Transportation Threat Assessment (Vetting) and Credentialing:				
Secure Flight	---	56,129	40,000	-16,129
Crew Vetting	---	13,167	14,700	1,533
Screening Administration and Operations	---	4,950	---	-4,950
Registered Traveler Program - offsetting	---	20,000	35,101	15,101
Transportation Worker Identification Credential (TWIC) - offsetting	---	---	20,000	20,000
HAZMAT - Fees offsetting	---	19,000	19,000	---
Alien Flight School (by transfer from DOJ) - Fees offsetting	---	2,000	2,000	---
Subtotal, Transportation Threat Assessment & Credentialing	---	**115,246**	**130,801**	**15,555**
Offsetting Credentialing fee collections	---	41,000	76,101	35,101
Subtotal, Transportation Vetting and Credentialing (Net)	---	74,246	54,700	-19,546
Transportation Security Support:				
Intelligence	14,000	20,790	21,000	210
Administration:				
Headquarters Administration	267,382	276,597	296,191	19,594
Mission Support Centers	5,000	---	---	---
Information Technology	240,470	207,991	210,092	2,101
Corporate Training	7,000	---	---	---
Subtotal, Administration	519,852	484,588	506,283	21,695
Research and Development:				
Research and development at Tech Center	49,000	---	---	---
Next generation explosive detection systems and explosive trace detection	54,000	---	---	---
Port Security R&D				
Air cargo	75,000	---	---	---
Subtotal, Research and Development	178,000	---	---	---
Subtotal, Transportation Security Support	**711,852**	**505,378**	**527,283**	**21,905**
Aviation Security Capital Fund	**250,000**	**250,000**	**250,000**	---
Federal Air Marshals:				
Management and Administration	---	607,266	628,494	21,228
Travel and Training	---	70,092	70,800	708
Air-to-ground communications	---	1,980	---	-1,980
Subtotal, Federal Air Marshals	---	**679,338**	**699,294**	**19,956**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Total, Transportation Security Administration (gross)	5,405,375	6,167,014	6,299,462	132,448
Offsetting fee collections (non-mandatory)	-2,330,000	-2,010,000	-3,736,206	-1,726,206
Aviation security capital fund	(250,000)	(250,000)	(250,000)	---
Offsetting Credentialing fee collections	-72,000	-41,000	-76,101	-35,101
Total, Transportation Security Administration (net)	2,753,375	3,866,014	2,237,155	1,628,859
United States Coast Guard				
Operating expenses:				
Military pay and allowances	2,807,827	2,716,842	2,788,276	71,434
Civilian pay and benefits	456,110	526,182	569,434	43,252
Training and recruiting	161,441	175,359	180,876	5,517
Operating funds and unit level maintenance	924,125	947,400	1,061,574	114,174
Centrally managed accounts	175,438	183,150	207,954	24,804
Intermediate and depot level maintenance	623,279	630,547	710,729	80,182
Emergency appropriations (P.L. 108-324)	33,367	---	---	---
Emergency Supplemental Appropriations (PL 109-13) (emergency)	111,950	---	---	---
Supplemental Appropriations (PL 109-148)	---	131,075	---	-131,075
DOD Transfer, Iraqi Freedom Fund (PL 109-148)	---	100,000	---	-100,000
Subtotal, Operating expenses (net)	5,302,537	5,410,555	5,518,843	108,288
Less adjustment for Defense function	-1,204,000	-1,200,000	-340,000	860,000
Defense function	1,204,000	1,200,000	340,000	-860,000
Subtotal, Operating expenses	**5,302,537**	**5,410,555**	**5,518,843**	**108,288**
Appropriations	5,302,537	5,410,555	5,518,843	108,288
Defense Function	[1,204,000]	[1,200,000]	[340,000]	-[860,000]
Environmental compliance and restoration	**17,000**	**12,280**	**11,880**	**-400**
Reserve training	**113,000**	**117,810**	**123,948**	**6,138**
Acquisition, construction, and improvements:				
Vessels:				
Great Lakes Icebreaker (GLIB) replacement	7,750	---	---	---
Seagoing Buoy Tender (WLB) Replacement	---	---	---	---
Response Boat Medium(41' UTB and NSB replacement)	12,000	18,315	24,750	6,435
Reappropriation, (110-foot Island Class Patrol Boat Procure/Refurbish)	---	77,845	---	-77,845
Subtotal, Vessels	19,750	96,160	24,750	-71,410
Aircraft:				
Armed helicopter equipment (Phase I) (legacy asset)	2,500	9,900	---	-9,900
Covert Surveillance Aircraft	---	9,900	---	-9,900
C-130J Missionization	---	---	---	---
Subtotal, Aircraft	2,500	19,800	---	-19,800
Other equipment:				
Automatic identification system	24,000	23,760	11,238	-12,522
National Distress and Response System Modernization (Rescue 21)	134,000	40,590	39,600	-990
HF Recap	---	---	2,475	2,475
National Capital Region Air Defense	---	---	48,510	48,510
Counter-terrorism Training Infrastructure - Shoothouse	---	---	1,683	1,683
Subtotal, Other equipment	158,000	64,350	103,506	39,156

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Personnel compensation and benefits:				
Core acquisition costs	500	495	500	5
Direct personnel costs	72,500	72,270	80,500	8,230
Subtotal, Personnel compensation and benefits	**73,000**	**72,765**	**81,000**	**8,235**
Integrated Deepwater Systems:				
Aircraft:				
Aircraft, other	86,250	154,440	216,513	62,073
HH-65 re-engining	99,000	131,769	32,373	-99,396
Subtotal, Aircraft	185,250	286,209	248,886	-37,323
Surface ships	364,300	504,108	498,366	-5,742
C4ISR	53,600	43,560	60,786	17,226
Logistics	39,800	18,612	42,273	23,661
Systems engineering and integration	43,000	36,630	35,145	-1,485
Government program management	38,000	34,650	48,975	14,325
				0
Subtotal, Integrated Deepwater Systems	**723,950**	**923,769**	**934,431**	**10,662**
Shore facilities and aids to navigation:				
Survey Design (Shore operational and support projects)	1,000	---	2,600	2,600
Shore construction projects	1,600	---	2,850	2,850
Small arms range at ISC Honolulu, HI	1,600	---	---	---
Renovate USCGA Chase Hall Barracks, Phase I (Annex E)	---	2,772	2,000	-772
Const Guard Housing - Cordova, AK (Various Locations)	---	14,850	5,500	-9,350
ISC Seattle Group, Sector Admin Ops Facility Phase II	---	9,900	2,600	-7,300
Replace Multi-Purpose Building - Group Long Island Sound	---	---	1,000	1,000
Construct Breakwater - Station Neah Bay	---	3,861	1,100	-2,761
Rebuild Station & Waterfront at Base Galveston Phase I	---	---	5,200	5,200
Waterways aids to navigation infrastructure	800	---	3,000	3,000
Subtotal, Shore facilities and aids to navigation	**5,000**	**31,383**	**25,850**	**-5,533**
DOD Transfer	34,000	---	---	---
Emergency Supplemental Appropriations (PL 109-13) (emergency)	49,550	---	---	---
Supplemental Appropriations (PL 109-148)	---	74,500	---	---
Subtotal, Acquisition, construction, and improvements (gross)	**1,065,750**	**1,282,727**	**1,169,537**	**-113,190**
Appropriations	1,065,750	1,282,727	1,169,537	-113,190
Subtotal, Acquisition, construction, and improvements (net)	**1,065,750**	**1,282,727**	**1,169,537**	**-113,190**
Alteration of bridges	**15,900**	**14,850**	**---**	**-14,850**
Research, development, test, and evaluation	**18,500**	**18,097**	**13,860**	**-4,237**
Health Care Fund Contribution	**---**	**260,533**	**278,704**	**18,171**
Subtotal, U.S. Coast Guard discretionary	**6,532,687**	**7,116,852**	**7,116,772**	**-80**
Retired pay (mandatory)	**1,085,460**	**1,014,080**	**1,063,323**	**49,243**
Trust Fund:				
Boat Safety	64,000	101,285	115,000	13,715
Oil Spill Recovery	71,200	168,000	126,900	-41,100
Gift Fund	80	80	80	---
Subtotal, trust fund accounts	**135,280**	**269,365**	**241,980**	**-27,385**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Total, United States Coast Guard	7,753,427	8,400,297	8,422,075	21,778
Appropriations	7,618,147	8,130,932	8,180,095	49,163
Trust Fund accounts	135,280	269,365	241,980	-27,385
United States Secret Service				
Salaries and expenses:				
Protection:				
Protection of persons and facilities	571,640	570,249	639,747	69,498
National Special Security Event Fund	5,000	2,500	---	-2,500
Protective intelligence activities	53,989	56,215	55,509	-706
White House mail screening	16,365	16,201	16,201	---
Subtotal, Protection	646,994	645,165	711,457	66,292
Field operations:				
Domestic field operations	221,489	241,301	236,093	-5,208
International field office administration, operations and training	19,208	20,968	21,616	648
Electronic crimes special agent program and electronic crimes task forces	34,536	39,600	44,079	4,479
Subtotal, Field operations	275,233	301,869	301,788	-81
Administration:				
Headquarters, management and administration	197,747	198,645	169,370	-29,275
National Center for Missing and Exploited Children	7,100	7,811	7,811	---
Subtotal, Administration	204,847	206,456	177,181	-29,275
Training:				
Rowley training center	45,051	46,337	50,052	3,715
Subtotal, Salaries and expenses	**1,172,125**	**1,199,827**	**1,240,478**	**40,651**
Special Event Fund:				
National Special Security Event Fund	---	---	2,500	2,500
Candidate Nominee Protection	---	---	18,400	18,400
Subtotal, Special Event Fund	**---**	**---**	**20,900**	**20,900**
Acquisition, construction, improvements and related expenses (Rowley training center)	**3,633**	**3,662**	**3,725**	**63**
Retired pay (mandatory - trust fund)	**210,000**	**200,000**	**200,000**	**---**
United States Secret Service	1,385,758	1,403,489	1,465,103	61,614
Appropriation	1,175,758	1,203,489	1,265,103	61,614
Trust Fund	210,000	200,000	200,000	0
Total, Title II, Security, Enforcement, and Investigations: New Appropriated Budget Authority	20,866,706	22,621,037	22,584,301	-36,736
Total New Budget Authority	25,659,103	27,331,218	29,129,747	1,798,529
Appropriations	20,866,706	22,621,037	22,584,301	-36,736
Offsetting Collections - Fee Funded	2,880,000	2,538,000	4,328,318	1,790,318
Fee Accounts & Trust Funds	1,912,397	2,172,181	2,217,128	44,947

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
TITLE III - PREPAREDNESS AND RECOVERY				
Office of State & Local Gov't Coordination & Preparedness				
Management and administration	**3,546**	---	---	---
State and Local Basic Formula Grants	1,100,000	---	---	---
Law enforcement terrorism prevention grants	400,000	---	---	---
Urban Area Security Initiative:				
High-threat, high-density urban area	885,000	---	---	---
Port security grants	150,000	---	---	---
Rail and transit security	150,000	---	---	---
Trucking security grants	5,000	---	---	---
Intercity bus security grants	10,000	---	---	---
Subtotal, Urban Area Security Initiative	1,200,000	---	---	---
Commercial Equipment Direct Assistance Program	50,000	---	---	---
National Programs:				
National Domestic Preparedness Consortium	135,000	---	---	---
National exercise program	52,000	---	---	---
Technical assistance	30,000	---	---	---
Metropolitan Medical Response System	30,000	---	---	---
Demonstration Training Grants	30,000	---	---	---
Continuing Training Grants	25,000	---	---	---
Citizen Corps	15,000	---	---	---
Evaluations and Assessments	14,300	---	---	---
Rural Domestic Preparedness Consortium	5,000	---	---	---
Subtotal, National Programs	336,300	---	---	---
Subtotal, State and local programs	**3,086,300**	---	---	---
Firefighter assistance grants	650,000	---	---	---
Staffing for Adequate Fire and Emergency Response (SAFER) Act	65,000	---	---	---
Subtotal, Firefighter Assistance Grants	**715,000**	---	---	---
Emergency management performance grants	**180,000**	---	---	---
Total, OSLGCP	**3,984,846**	---	---	---
Preparedness Directorate				
Office of the Under Secretary for Preparedness:				
Office of the Under Secretary	---	---	17,497	17,497
Office of National Capital Region Coordination	---	---	1,991	1,991
Office of the Chief Medical Officer	---	---	4,980	4,980
National Preparedness Integration Program		---	50,000	50,000
Subtotal, Office of the Under Secretary for Preparedness	---	---	**74,468**	**74,468**
Management and Administration:				
Office of the Under Secretary	---	13,055	---	-13,055
Office of the Chief Medical Officer	---	1,980	---	-1,980
Office of National Capital Region Coordination	---	883	---	-883
Subtotal, Management and Administration	---	**15,918**	---	**-15,918**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Office for Domestic Preparedness:				
Salaries and Expenses	---	4,950	80,900	75,950
State and Local Programs:				
State Homeland Security Grant Program:				
State and Local Basic Formula Grants	---	544,500	616,300	71,800
Citizen Corps	---	---	34,100	34,100
Real ID Grants (Sec. 537)	---	39,600	---	-39,600
Subtotal, State Homeland Security Grant Program	---	584,100	650,400	66,300
Law enforcement terrorism prevention grants	---	396,000	---	-396,000
Technology transfer	---	---	---	---
Urban Area Security Initiative:				
High-threat, high-density urban area	---	757,350	817,100	59,750
Targeted Infrastructure Protection	---	---	585,200	585,200
Buffer Zone Protection Program	---	49,500	---	-49,500
Port security grants	---	173,250	---	-173,250
Rail and transit security	---	148,500	---	-148,500
Trucking security grants	---	9,900	---	-9,900
Intercity bus security grants	---	4,950	---	-4,950
Subtotal, Urban Area Security Initiative	---	1,143,450	1,402,300	258,850
Commercial Equipment Direct Assistance Program	---	49,500	---	-49,500
National Programs:				
National Domestic Preparedness Consortium	---	143,550	78,051	-65,499
National exercise program	---	51,480	41,708	-9,772
Technical assistance	---	19,800	11,500	-8,300
Metropolitan Medical Response System	---	29,700	---	-29,700
Demonstration Training Grants	---	29,700	---	-29,700
Continuing Training Grants	---	24,750	2,900	-21,850
Citizen Corps	---	19,800	---	-19,800
Evaluations and Assessments	---	14,157	23,000	8,843
Rural Domestic Preparedness Consortium	---	9,900	---	-9,900
Subtotal, National Programs	---	342,837	157,159	-185,678
Supplemental Appropriation (P.L. 109-148)				
Pre-positioned Equipment Program	---	10,300	---	-10,300
Subtotal, Supplemental	---	10,300	---	-10,300
Subtotal, State and Local Programs	---	**2,526,187**	**2,209,859**	**-316,328**
Fire assistance grants:				
Grants	---	539,550	280,450	-259,100
Staffing for Adequate Fire and Emergency Response (SAFER) Act	---	108,900	13,000	-95,900
Subtotal, Firefighter Assistance Grants	---	**648,450**	**293,450**	**-355,000**
Emergency management performance grants	---	183,150	165,800	-17,350
Subtotal, Office for Domestic Preparedness	---	**3,362,737**	**2,750,009**	**-612,728**
Radiological Emergency Preparedness Program	---	**-1,266**	**-477**	**789**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
U.S. Fire Administration and Training:				
United States Fire Administration	---	40,037	40,887	850
Noble Training Center	---	4,462	5,962	1,500
Subtotal, U.S. Fire Administration and Training	---	**44,499**	**46,849**	**2,350**
Infrastructure Protection and Information Security:				
Management & Administration	---	82,509	84,650	2,141
Critical Infrastructure Outreach and Partnership	---	111,055	101,100	-9,955
Critical Infrastructure Identification and Evaluation	---	67,815	71,631	3,816
National Infrastructure Simulation and Analysis Center	---	19,800	16,021	-3,779
Biosurveillance	---	13,959	8,218	-5,741
Protective Actions	---	90,485	32,043	-58,442
Cyber Security	---	92,415	92,205	-210
National Security/Emergency Preparedness Telecommunications	---	141,206	143,272	2,066
Subtotal, Infrastructure Protection and Information Security	---	**619,244**	**549,140**	**-70,104**
Total, Preparedness	---	4,041,432	3,419,989	-621,443
Counterterrorism Fund				
Counterterrorism fund	8,000	1,980	---	-1,980
Federal Emergency Management Agency				
Administrative and regional operations	207,150	187,438	206,259	18,821
Defense Function	0	48,790	49,240	450
Subtotal, Administrative and regional operations	**207,150**	**236,228**	**255,499**	**19,271**
Readiness, mitigation, response and recovery:				
Operating activities	209,499	182,217	213,682	31,465
Urban search and rescue teams	30,000	19,800	19,817	17
Subtotal, Readiness, mitigation, response and recovery	**239,499**	**202,017**	**233,499**	**31,482**
Public health programs:				
National disaster medical system	34,000	33,660	33,885	225
Emergency appropriations (PL 109-62)	100,000	---	---	---
Subtotal, Public health programs	**134,000**	**33,660**	**33,885**	**225**
Radiological emergency preparedness program	**-1,184**	---	---	---
Biodefense countermeasures	---	---	---	---
Advance appropriations, FY 2005 (PL 108-324)	2,507,776	---	---	---
Subtotal, Biodefense countermeasures	**2,507,776**	---	---	---
Disaster relief	2,042,380	1,752,300	1,941,390	189,090
Emergency appropriations (PL 108-324)	6,500,000	---	---	---
Emergency appropriations (PL 109-61)	10,000,000	---	---	---
Emergency appropriations (PL 109-62)	49,885,000	---	---	---
Subtotal, Disaster Relief	**68,427,380**	**1,752,300**	**1,941,390**	**189,090**
Disaster assistance direct loan program account:				
[Limitation on direct loans]	[25,000]	[25,000]	[25,000]	
Administrative expenses	**567**	**561**	**569**	**8**
Flood map modernization fund	**200,000**	**198,000**	**198,980**	**980**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
National flood insurance fund:				
Salaries and expenses	33,336	36,496	38,230	1,734
Severe Repetitive Loss Mitigation	---	---	---	---
Repetitive Loss Mitigation	---	---	---	---
Flood mitigation	79,257	87,358	90,358	3,000
Offsetting fee collections	-118,579	-123,854	-128,588	-4,734
[Transfer to Mitigation grants]	---	---	---	---
[Transfer to National flood mitigation fund]	[-20,000]	[-28,000]	[-31,000]	
Subtotal, National flood insurance fund (gross)	**112,593**	**123,854**	**128,588**	**4,734**
Offsetting fee collections	-118,579	-123,854	-128,588	-4,734
National flood insurance fund: (mandatory - fee funded)	1,950,251	2,054,354	2,183,024	128,670
Severe Repetitive Loss Mitigation		40,000	40,000	---
Repetitive Loss Mitigation		10,000	10,000	---
Subtotal, NFIF (mandatory - fee funded)	**1,950,251**	**2,104,354**	**2,233,024**	**128,670**
National flood mitigation fund (by transfer)	[20,000]	[28,000]	[31,000]	
National pre-disaster mitigation fund	**100,000**	**49,500**	**149,978**	**100,478**
Emergency food and shelter	**153,000**	**151,470**	**151,470**	**---**
Total, Emergency Preparedness and Response	74,031,032	4,851,944	5,326,882	474,938
Appropriations	69,454,426	2,623,236	2,965,270	341,534
Trust Funds - fee funded	1,950,251	2,104,354	2,233,024	128,670
Offsetting collections - fee funded	118,579	123,854	128,588	4,734
Advance appropriations	2,507,776	---	---	---
Total, Title III, Preparedness:				
New Appropriated budget authority	**73,447,272**	**6,666,848**	**6,385,259**	**-281,589**
Total New Budget Authority	78,023,878	8,895,056	8,746,871	-148,185
Appropriations	73,447,272	6,666,848	6,385,259	-281,589
Advance appropriations	2,507,776	---	---	---
Fee Accounts and Trust Funds	1,950,251	2,104,354	2,233,024	128,670
Offsetting Collections	118,579	123,854	128,588	4,734
(Limitation on direct loans)	[25,000]	[25,000]	[25,000]	
(Transfer out)	[-20,000]	[-28,000]	[-31,000]	
(By transfer)	[20,000]	[28,000]	[31,000]	
TITLE IV - RESEARCH & DEVELOPMENT, TRAINING, & SERVICES				
Citizenship and Immigration Services				
Backlog Reduction Initiative:				
Contracting Services	120,000	70,000	---	-70,000
Other	20,000	9,200	---	-9,200
Digitization and IT Transformation	20,000	34,650	---	-34,650
Subtotal, Backlog Reduction Initiative	**160,000**	**113,850**	**---**	**-113,850**
Salaries and Expenses:				
Business Transformation	---	---	47,000	47,000
Pay and benefits	---	---	27,375	27,375
SAVE/EEV	---	---	107,615	107,615
Subtotal, Salaries and Expenses	**---**	**---**	**181,990**	**181,990**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Adjudication Services (Fee Accounts):				
Pay and benefits	580,000	657,000	624,600	-32,400
District Operations	293,000	349,000	385,400	36,400
Service Center Operations	233,000	250,000	267,000	17,000
Asylum, Refugee and International Operations	73,000	74,000	75,000	1,000
Records Operations	65,000	66,000	67,000	1,000
Subtotal, Adjudication Services	**1,244,000**	**1,396,000**	**1,419,000**	**23,000**
Information and Customer Services (Fee Accounts):				
Pay and benefits	78,000	80,000	81,000	1,000
Operating Expenses:				
National Customer Service Center	46,000	47,000	48,000	1,000
Information Services	14,000	14,000	15,000	1,000
Subtotal, Information and Customer Service	**138,000**	**141,000**	**144,000**	**3,000**
Administration (Fee Accounts):				
Pay and benefits	43,000	44,000	45,000	1,000
Operating Expenses	190,000	193,000	196,000	3,000
Subtotal, Administration	**233,000**	**237,000**	**241,000**	**4,000**
Total, Citizenship and Immigration Services	1,775,000	1,887,850	1,985,990	98,140
Appropriations	160,000	113,850	181,990	68,140
Immigration Examination Fee Account	1,571,000	1,730,000	1,760,000	30,000
Fraud Prevention and Detection Fee Account	31,000	31,000	31,000	---
H-1B Non-Immigrant Petitioner Fee Account	13,000	13,000	13,000	---
Federal Law Enforcement Training Center				
Salaries and Expenses:				
Salaries and expenses	177,440	---	---	---
Law Enforcement Training	---	190,704	201,020	10,316
Accreditation	---	1,356	1,290	-66
Emergency Supplemental Appropriations (PL 109-13)	2,568	---	---	---
Subtotal, Salaries and Expenses	**180,008**	**192,060**	**202,310**	**10,250**
Acquisition, Construction, Improvements and Related Expenses:				
Acquisition, construction, improvements and related expenses	44,917	87,474	42,246	-45,228
Emergency Supplemental Appropriations (PL 109-13)	1,882	---	---	---
Subtotal, Acquisition, Construction and Related Expenses	**46,799**	**87,474**	**42,246**	**-45,228**
Total, Federal Law Enforcement Training Center	226,807	279,534	244,556	-34,978
Information Analysis and Infrastructure Protection				
Management and administration:				
Office of the Under Secretary for Information Analysis and Infrastructure Protection	5,864	---	---	---
Other salaries and expenses	119,600	---	---	---
Subtotal, Management and administration	**125,464**	**---**	**---**	**---**

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Assessments and evaluations:				
Critical infrastructure outreach and partnerships	106,592	---	---	---
Critical infrastructure identification and evaluation	77,861	---	---	---
National Infrastructure Simulation and Analysis Center (NISAC)	20,000	---	---	---
Protective actions	191,647	---	---	---
Biosurveillance	11,000	---	---	---
Cybersecurity	67,380	---	---	---
NS-EP Telecommunications	140,754	---	---	---
Competitive analysis and evaluation	4,000	---	---	---
Threat determination and assessment	21,943	---	---	---
Infrastructure vulnerability and risk assessment	71,080	---	---	---
Evaluation and studies	14,387	---	---	---
Homeland Security Operations Center (HSOC)	35,000	---	---	---
Subtotal, Assessments and evaluations	**761,644**	---	---	---
Total, Information Analysis and Infrastructure Protection	887,108	---	---	---
Science and Technology				
Management and administration:				
Office of the Under Secretary for Science and Technology	6,315	6,414	7,594	1,180
Other salaries and expenses	62,271	73,874	188,307	114,433
Subtotal, Management and administration	**68,586**	**80,288**	**195,901**	**115,613**
Research, development, acquisition, and operations:				
Biological countermeasures:				
Operating expenses	362,650	23,067	---	-23,067
Defense Function	---	353,133	337,200	-15,933
National Biodefense Analysis and Countermeasures:				
Center construction	35,000	---	---	---
Subtotal, National Biodefense Analysis and Countermeasures	35,000	---	---	---
Subtotal, Biological countermeasures	397,650	376,200	337,200	-39,000
Chemical countermeasures	53,000	94,050	83,092	-10,958
Explosives countermeasures	19,700	43,560	86,582	43,022
Threat and vulnerability, testing and assessment	65,800	42,570	39,851	-2,719
Conventional missions in support of DHS	54,650	79,200	88,622	9,422
Rapid prototyping program	76,000	34,650	---	-34,650
Standards	39,700	34,650	22,131	-12,519
Emerging threats	10,750	7,920	---	-7,920
Emergent and Prototypical Technology	---	---	19,451	19,451
Critical infrastructure protection	27,000	40,392	15,413	-24,979
University programs/homeland security fellowship	70,000	62,370	51,970	-10,400
Counter MANPADs	61,000	108,900	4,880	-104,020
Safety Act	10,000	6,930	4,710	-2,220
Defense Function	---	---	---	---
Subtotal, Safety Act	10,000	6,930	4,710	-2,220
Cybersecurity	18,000	16,533	22,733	6,200
Office of Interoperability and Compatibility	---	26,235	29,735	3,500
Research and Development Consolidation	---	98,898	---	-98,898
Radiological and Nuclear Countermeasures	122,614	18,895	---	-18,895
Domestic Nuclear Detection Office	---	314,834	---	-314,834

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Subtotal, Research, development, acquisition, and operations	**1,046,864**	**1,406,787**	**806,370**	**-600,417**
Total, Science and Technology	1,115,450	1,487,075	1,002,271	-484,804
Domestic Nuclear Detection Office				
Domestic Nuclear Detection Office				
Management and Administration	---	---	30,468	30,468
Research, Development, and Operations	---	---	327,320	327,320
Systems Acquisition	---	---	178,000	178,000
Subtotal, Domestic Nuclear Detection Office	---	---	535,788	535,788
Total, Title IV, Research and Development, Training, Assessments, and Services: New budget (obligational) authority	2,389,365	1,880,459	1,964,605	84,146
Total New Budget Authority	4,004,365	3,654,459	3,768,605	114,146
Appropriations	2,389,365	1,880,459	1,964,605	84,146
Fee Accounts & Trust Funds	1,615,000	1,774,000	1,804,000	30,000
General Provisions and Rescissions of Prior Year Unobligated Balances				
Rescission (Port Security Assessments, PL 108-11)	0	-15,104	0	15,104
Sec 527:				
Rescission, 110-to-123 Conversions (PL 108-90 and PL 108-334)	0	-78,631	0	78,631
110-foot Island Class Patrol Boat Procurement or Refurbishment	0	0	0	0
				0
Sec. 537: REAL ID Grants	0	0	0	0
Sec. 542: Rescission, Working Capital Fund	0	-15,000	0	15,000
Sec. 543: Rescission, TSA Aviation Security (PL 108-34)	0	-5,500	0	5,500
Sec. 544: Rescission, Coast Guard Operating Expenses and AC&I (PL 105-277, 106-69, and 107-87)	0	-6,369	0	6,369
Sec 545: Rescission, Counterterrorism Fund (PL 108-90)	0	-8,000	-16,000	-8,000
Sec. 546: Rescission, S&T R&D (PL 108-334)	0	-20,000	0	20,000
Rescission, USSS (Operation Liberty Shield, PL 108-11)	-750	0	0	0
Rescission, FEMA Operating expenses (Rescission, PL 108-11)	-5,000	0	0	0
Rescission, CBP Salaries & Expenses	-63,010	0	0	0
Rescission, USCG Operating Expenses	-16,000	0	0	0
Rescission, DHS Working Capital Fund	-20,000	0	0	0
Total, Title V, General Provisions: New budget (obligational) authority	-104,760	-148,604	-16,000	132,604

February 6, 2006 - President's Budget	Budget Authority			
	FY 2005 Revised Enacted	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2007 Change +/- FY 2006
Grand total, Department of Homeland Security:				
New budget (obligational) authority	**97,223,157**	**31,965,340**	**31,991,764**	**26,424**
Appropriations	97,327,917	32,113,944	32,007,764	-106,180
Advance appropriations	[2,507,776]	---	---	---
Rescissions	-104,760	-148,604	-16,000	132,604
Fee Funded Programs and Trust Funds	5,477,648	6,050,535	6,254,152	203,617
Offsets	2,998,579	2,661,854	4,456,906	1,795,052
Limitation on direct loans	[25,000]	[25,000]	[25,000]	
Transfer out	[-20,000]	[-28,000]	[-31,000]	
By transfer	[20,000]	[28,000]	[31,000]	

Department of Homeland Security
February 6, 2006 - President's Budget

Dollars in Thousands

FY 2007 Budget Build

Component and Account	FY 2006 Revised Enacted		Adjustments to Base		Program Changes		FY 2007 President's Budget	
	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars
Departmental Management and Operations	**846**	**$606,513**	**16**	**-$63,773**	**95**	**$132,051**	**957**	**$674,791**
Office of the Secretary & Executive Management	416	125,898	5	-42,637	30	14,247	451	97,508
Office of the Under Secretary for Management	265	167,147	-3	-23,664	55	65,655	317	209,138
Office of the Chief Financial Officer	87	19,211	5	18,362	10	6,807	102	44,380
Office of the Chief Information Officer	78	294,257	9	-15,834	-	45,342	87	323,765
OCIO Operations (formerly Salaries and Expenses)	78	74,999	9	4,522	-	-	87	79,521
Department-wide Technology	-	219,258	-	-20,356	-	45,342	-	244,244
Non-Add: Rescission of Working Capital Fund	-	-[15,000]	-	-	-	-	-	-
Counter-Terrorism Fund	**-**	**1,980**	**-**	**-1,980**	**-**	**-**	**-**	**-**
Counter-terrorism Fund	-	1,980	-	-1,980	-	-	-	-
Non-Add: Rescission of prior year unobligated balances	-	-[8,000]	-	-	-	-	-	-[16,000]
Office of Screening Coordination and Operations	**17**	**3,960**	**-**	**-**	**-**	**-**	**17**	**3,960**
Inspector General	**540**	**82,187**	**-**	**1,558**	**5**	**12,440**	**545**	**96,185**
U.S.-VISIT	**102**	**336,600**	**-**	**2,810**	**-**	**60,084**	**102**	**399,494**
U.S. Customs & Border Protection	**41,986**	**7,144,375**	**635**	**25,292**	**1,137**	**677,014**	**43,758**	**7,846,681**
Discretionary Resources:								
Salaries and Expenses (Harbor & Small Airports included)	33,720	4,808,238	635	179,923	1,137	537,091	35,492	5,525,252
Automation Modernization	62	451,440	-	9,767	-	-	62	461,207
Construction	-	277,700	-	-161,669	-	139,923	-	255,954
Air & Marine Interdiction	-	396,229	-	-58,530	-	-	-	337,699
Fee Accounts:								
Consolidated Omnibus Budget Reconciliation Act (COBRA)--fee funded	1,412	365,521	-	22,283	-	-	1,412	387,804
Land Border Inspection Fees--fee funded	292	23,969	-	4,102	-	-	292	28,071
Immigration Inspection User Fees--fee funded	4,058	503,137	-	26,163	-	-	4,058	529,300
Enforcement Fines--fee funded	66	1,638	-	86	-	-	66	1,724
Puerto Rico Trust Fund--fee funded	654	97,815	-	-	-	-	654	97,815
Animal & Plant Health Inspection Service (APHIS) User Fees--fee funded	1,722	211,120	-	3,167	-	-	1,722	214,287
Trust Fund & Public Enterprise Accounts:								
Customs Unclaimed Goods --fee funded	-	7,568	-	-	-	-	-	7,568
U.S. Immigration & Customs Enforcement	**15,917**	**3,392,443**	**640**	**238,220**	**681**	**550,258**	**17,238**	**4,180,921**
Discretionary Resources:								
Salaries and Expenses	14,024	3,090,414	626	261,619	681	550,258	15,331	3,902,291
Federal Protective Service	1,438	487,000	-	29,011	-	-	1,438	516,011
Automation Modernization	-	39,748	-	-39,748	-	-	-	-
Construction	9	26,281	-	-	-	-	9	26,281
Discretionary Offset:								
Offsetting Collections: Federal Protective Service fee funded activity	-	-487,000	-	-29,011	-	-	-	-516,011
Fee Accounts:								
Student Exchange & Visitor Immigration Security (SEVIS) Fee--fee funded	107	49,000	14	5,349	-	-	121	54,349
Breached Bond Detention Fund--fee funded	63	87,000	-	3,000	-	-	63	90,000
Immigration Inspection User Fee--fee funded	276	100,000	-	8,000	-	-	276	108,000
Transportation Security Administration	**50,363**	**4,116,014**	**-13**	**-1,708,725**	**30**	**79,866**	**50,380**	**2,487,155**
Discretionary Resources:								
Aviation Security	48,540	4,581,412	-20	1,106	-	72,366	48,520	4,654,884
Surface Transportation Security	297	35,640	-	1,560	-	-	297	37,200
Transportation Security Support	1,415	505,378	-	14,405	30	7,500	1,445	527,283
Federal Air Marshals	-	679,338	-	19,956	-	-	-	699,294
Transportation Threat Assessment and Credentialing (Partially Fee Funded)	111	113,246	7	15,555	-	-	118	128,801
Discretionary Offset:								
Offsetting Collections: Security fees	-	-2,010,000	-	-1,726,206	-	-	-	-3,736,206
Offsetting Collections: Credentialing fee funded activity	-	-39,000	-	-35,101	-	-	-	-74,101
Fee Accounts:								
Aviation Security Capital Fund--fee funded	-	250,000	-	-	-	-	-	250,000
Alien Flight School (mandatory)--fee funded	-	2,000	-	-	-	-	-	2,000
Registered Traveler Fee	-	-	-	-	-	-	-	-
Fee Account Offset:								
Offsetting Collections: Alien Flight School fee funded activity	-	-2,000	-	-	-	-	-	-2,000
Rescission of Carryover Funds:								
Non-Add: Rescission of prior year unobligated balances	-	-[5,500]	-	-	-	-	-	-
Preparedness Directorate	**966**	**4,041,132**	**40**	**-722,901**	**22**	**101,758**	**1,028**	**3,419,989**
Preparedness Operations	-	-	-	-	-	-	-	-
OUS Preparedness	85	15,918	-	3,292	21	55,258	106	74,468
Infrastructure Protection and Information Security	445	619,244	-	-115,104	-	45,000	445	549,140
U.S. Fire Administration	113	44,499	-	850	1	1,500	114	46,849
Radiological Emergency Preparedness Program	90	-1,266	40	789	-	-	130	-477
Biodefense Countermeasures	-	-	-	-	-	-	-	-
Grants and Training (Office for Domestic Preparedness)	233	3,362,737	-	-612,728	-	-	233	2,750,009
State and Local Programs (includes S&E and EMPG)	200	2,714,287	-	-257,728	-	-	200	2,456,559
Firefighter Assistance Grants	33	648,450	-	-355,000	-	-	33	293,450

Component and Account	FY 2006 Revised Enacted		Adjustments to Base		Program Changes		FY 2007 President's Budget	
	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars
Analysis and Operations	**406**	**252,940**	**57**	**16,559**	**12**	**29,164**	**475**	**298,663**
Federal Emergency Management Agency (FEMA)	**5,708**	**4,728,090**	**40**	**318,264**	**200**	**151,940**	**5,948**	**5,198,294**
Discretionary Resources:								
Readiness, Mitigation, Response & Recovery (Prep., Mitig., Res., & Rec.)	822	202,017	-	296	117	31,186	939	233,499
Administrative & Regional Operations	1,032	236,228	40	-1,483	43	20,754	1,115	255,499
Public Health Programs	40	33,660	-	225	-	-	40	33,885
Radiological Emergency Preparedness Program	-	-	-	-	-	-	-	-
Disaster Relief Fund	3,493	1,752,300	-	189,090	-	-	3,493	1,941,390
Disaster Assistance Direct Loan Program [1]	3	561	-	8	-	-	3	569
National Pre-disaster Mitigation Fund	15	49,500	-	478	40	100,000	55	149,978
Flood Map Modernization Fund	33	198,000	-	980	-	-	33	198,980
National Flood Insurance Fund (discretionary)--fee funded	270	123,854	-	4,734	-	-	270	128,588
National Flood Mitigation Fund: Non-add transfer from NFIF)	-	[28,000]	-	[-9,000]	-	-	-	[31,000]
Emergency Food and Shelter	-	151,470	-	-	-	-	-	151,470
Discretionary Offset:								
Offsetting Collections: National Flood Insurance Fund (discretionary)	-	-123,854	-	-4,734	-	-	-	-128,588
Trust Fund & Public Enterprise Accounts:								
National Flood Insurance Fund (mandatory)--fee funded	-	2,104,354	-	128,670	-	-	-	2,233,024
Rescission of Carryover Funds:								
Non-Add: Rescission of prior year unobligated balances	-	-[23,409,300]	-	-	-	-	-	-
U.S. Citizenship & Immigration Services	**10,207**	**1,887,850**	**-450**	**-83,850**	**365**	**181,990**	**10,122**	**1,985,990**
Discretionary Resources:								
Salaries & Expenses	450	113,850	-450	-113,850	365	181,990	365	181,990
Fee Accounts:								
Immigration Examination Fund--fee funded	9,527	1,730,000	-	30,000	-	-	9,527	1,760,000
H-1b Visa Fees (Non-Immigrant Petitioner Fee)--fee funded	-	13,000	-	-	-	-	-	13,000
H-1b & L Fraud Prevention --fee funded	230	31,000	-	-	-	-	230	31,000
United States Secret Service	**6,564**	**1,403,489**	**33**	**21,014**	**16**	**40,600**	**6,613**	**1,465,103**
Discretionary Resources:								
Salaries & Expenses	6,564	1,199,827	33	18,451	16	22,200	6,613	1,240,478
Special Event Fund	-	-	-	2,500	-	18,400	-	20,900
Acquisition, Construction, Improvements & Related Expenses	-	3,662	-	63	-	-	-	3,725
Trust Fund:								
Retirement Pay - Trust Fund	-	200,000	-	-	-	-	-	200,000
United States Coast Guard	**47,121**	**8,400,297**	**350**	**-31,076**	**127**	**52,854**	**47,598**	**8,422,075**
Discretionary Resources:								
Operating Expenses	45,843	5,410,555	350	30,459	91	77,829	46,284	5,518,843
Health Care Fund	-	260,533	-	18,171	-	-	-	278,704
Environmental Compliance	24	12,280	-	-400	-	-	24	11,880
Reserve Training	536	117,810	-	6,138	-	-	536	123,948
Acquisition, Construction & Improvements	616	1,282,727	-	-74,500	36	-38,690	652	1,169,537
Alteration of Bridges	-	14,850	-	-14,850	-	-	-	-
Research, Development, Test & Evaluation	102	18,097	-	-4,237	-	-	102	13,860
Mandatory Fee Accounts:								
Retirement Pay (mandatory appropriation)	-	1,014,080	-	49,243	-	-	-	1,063,323
Trust Fund & Public Enterprise Accounts:								
Boat Safety --fee funded	-	101,285	-	-	-	13,715	-	115,000
Oil Spill Recovery --fee funded	-	168,000	-	-41,100	-	-	-	126,900
Gift Fund --fee funded	-	80	-	-	-	-	-	80
Rescission of Carryover Funds:								
Non-Add: Rescission of prior year unobligated balances	-	-[100,103]	-	-	-	-	-	-
Federal Law Enforcement Training Center	**1,001**	**279,534**	**-**	**-42,165**	**15**	**7,187**	**1,016**	**244,556**
Salaries and Expenses	1,001	192,060	-	4,063	15	6,187	1,016	202,310
Acquisition, Construction Improvements & Related Expenses	-	87,474	-	-46,228	-	1,000	-	42,246
Science & Technology Directorate	**387**	**1,487,075**	**-4**	**-494,904**	**-**	**10,100**	**383**	**1,002,271**
Management & Administration	387	80,288	-4	114,613	-	1,000	383	195,901
Research, Development, Acquisition & Operations	-	1,406,787	-	-609,517	-	9,100	-	806,370
Non-Add: Rescission of prior year unobligated balances	-	-[20,000]	-	-	-	-	-	-
Domestic Nuclear Detection Office	**-**	**-**	**20**	**338,640**	**92**	**197,148**	**112**	**535,788**
SUBTOTAL NET: Discretionary plus Mandatory, Fees and Trust Funds	182,131	$38,164,479	1,364	$2,187,017	2,797	$2,284,454	186,292	$38,261,916
Plus Discretionary Fee Offsets:		2,659,854		1,795,052				4,454,906
Plus Mandatory Fee Offsets:		2,000						2,000
TOTAL GROSS: Discretionary plus Mandatory, Fees and Trust Funds	182,131	$40,826,333	1,364	$391,965	2,797	$2,284,454	186,292	$42,718,822
Scorekeeping Adjustment for rescission of prior year unobligated balances:		-23,557,903						-16,000
Adjusted Total Gross:	182,131	$17,268,430	1,364	$391,965	2,797	$2,284,454	186,292	$42,702,822

NOTES:
1. FEMA Disaster Assistance Direct Loan Program (DALAP) does not reflect against FY 2006 revised enacted figures, $752.5 million transferred pursuant to P.L. 109-148 ($1.5 million) and P.L. 109-188 ($751 million), from unobligated carryover of Disaster Relief Supplemental in FY 2005 P.L. 109-62.

Department of Homeland Security
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Dollars in Thousands

	Revised Enacted Crosswalk					
	FY 2005 Revised Enacted		FY 2006 Revised Enacted		FY 2007 President's Budget	
Component	FTE	Dollars	FTE	Dollars	FTE	Dollars
Office of the Secretary & Executive Management	**361**	**$91,134**	**416**	**$125,898**	**451**	**$97,508**
Discretionary Resources	361	91,134	416	125,898	451	97,508
Enacted Level	361	85,034	416	79,409	451	97,508
Technical Adjustment: Transfer from IAIP	-	6,600	-	-	-	-
Supplemental (P.L. 109-148): Avian Flu	-	-	-	47,283	-	-
Rescission (P.L. 109-13)	-	-500	-	-	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-794	-	-
Under Secretary for Management	**173**	**147,853**	**265**	**167,147**	**317**	**209,138**
Discretionary Resources	173	147,853	265	167,147	317	209,138
Enacted Level	173	151,153	265	168,835	317	209,138
Rescission (P.L. 109-13)	-	-3,300	-	-	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-1,688	-	-
Office of the Chief Financial Officer	**71**	**13,000**	**87**	**19,211**	**102**	**44,380**
Discretionary Resources	71	13,000	87	19,211	102	44,380
Enacted Level	71	13,000	87	19,405	102	44,380
Rescission (P.L. 109-13)	-	-	-	-194	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-	-	-
Office of the Chief Information Officer	**82**	**275,270**	**78**	**294,257**	**87**	**323,765**
Discretionary Resources	82	275,270	78	294,257	87	323,765
Enacted Level	78	275,270	78	297,229	87	323,765
Technical Adjustment: Reprogramming FTE adjustment	4	-	-	-	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-2,972	-	-
Working Capital Fund						
Rescission of prior year unobligated balances: Non-add	-	-[20,000]	-	-[15,000]	-	-
Counter-Terrorism Fund	**-**	**8,000**	**-**	**1,980**	**-**	**-**
Discretionary Resources	-	8,000	-	1,980	-	-
Enacted Level	-	8,000	-	2,000	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-20	-	-
Rescission of prior year unobligated balances: Non-add	-	-	-	-[8,000]	-	-[16,000]
Office of Screening Coordination and Operations	**-**	**-**	**17**	**3,960**	**17**	**3,960**
Enacted Level	-	-	17	4,000	17	3,960
Rescission (P.L. 109-148): 1% across the board	-	-	-	-40	-	-
Inspector General	**502**	**97,317**	**540**	**82,187**	**545**	**96,185**
Discretionary Resources	502	97,317	540	82,187	545	96,185
Enacted Level	502	82,317	540	83,017	545	96,185
Supplemental (P.L. 109-62): Transfer from FEMA Disaster Relief Fund	-	15,000	-	-830	-	-
U.S.-VISIT	**102**	**340,000**	**102**	**336,600**	**102**	**399,494**
Discretionary Resources	102	340,000	102	336,600	102	399,494
Enacted Level	102	340,000	102	340,000	102	399,494
Rescission (P.L. 109-148): 1% across the board	-	-	-	-3,400	-	-
U.S. Customs & Border Protection	**40,636**	**6,520,698**	**41,986**	**7,144,375**	**43,758**	**7,846,681**
Discretionary Resources	32,432	5,438,585	33,782	5,933,607	35,554	6,580,112
Enacted Level	33,144	5,333,281	33,737	5,952,554	35,509	6,573,882
Technical Adjustment: realignment of Small Airports from fees	44	5,004	45	6,048	45	6,230
Technical Adjustment: realignment of FTE from S&E to fees	-776	-	-	-	-	-
Supplemental (P.L. 109-13): Salaries and Expenses	20	124,425	-	-	-	-
Supplemental (P.L. 109-13): Construction	-	51,875	-	-	-	-
Supplemental (P.L. 109-148): Salaries and Expenses	-	-	-	24,100	-	-
Supplemental (P.L. 109-148): Construction	-	-	-	10,400	-	-
Rescission (P.L. 109-13): Salaries and Expenses	-	-76,000	-	-	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-59,495	-	-

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Dollars in Thousands

	Revised Enacted Crosswalk					
	FY 2005 Revised Enacted		FY 2006 Revised Enacted		FY 2007 President's Budget	
Component	FTE	Dollars	FTE	Dollars	FTE	Dollars
Fee Accounts	8,204	1,074,000	8,204	1,203,200	8,204	1,259,001
Estimates at Enacted Level	7,472	1,079,004	8,249	1,142,146	8,249	1,265,231
Technical Adjustment: realignment of Small Airports to discretionary	-44	-5,004	-45	-6,048	-45	-6,230
Technical Adjustment: revised Small Airports fee estimate	-	-	-	814	-	-
Technical Adjustment: revised COBRA FTE and/or fee estimate	4	-	-	31,521	-	-
Technical Adjustment: revised Land Border Inspection FTE and/or fee estimate	84	-	-	-5,909	-	-
Technical Adjustment: revised Immigration User FTE and/or fee estimate	392	-	-	38,321	-	-
Technical Adjustment: revised Enforcement Fines FTE and/or fee estimate	66	-	-	-4,765	-	-
Technical Adjustment: revised APHIS FTE and/or fee estimate	50	-	-	7,120	-	-
Technical Adjustment: revised Puerto Rico FTE and/or fee estimate	180	-	-	-	-	-
Trust Fund & Public Enterprise Accounts	-	8,113	-	7,568	-	7,568
Estimates at Enacted Level	-	-	-	-	-	-
Technical Adjustment: presentation of estimates for Customs Unclaimed Goods	-	8,113	-	8,113	-	7,568
Technical Adjustment: revised Customs Unclaimed Goods fee estimate	-	-	-	-545	-	-
Rescission of Carryover Funds	-	-[63,010]	-	-	-	-
U.S. Immigration & Customs Enforcement	**14,600**	**3,103,328**	**15,917**	**3,392,443**	**17,238**	**4,180,921**
Discretionary Resources	14,207	3,351,328	15,471	3,643,443	16,778	4,444,583
Enacted Level	14,093	3,645,178	15,471	3,662,195	16,778	4,444,583
Technical Adjustment: reflect FAMS in TSA for comparability	-	-662,900	-	-	-	-
Supplemental (P.L. 109-13): Salaries and Expenses	114	454,250	-	-	-	-
Supplemental (P.L. 109-148): Salaries and Expenses	-	-	-	13,000	-	-
Rescission (P.L. 109-13): Salaries and Expenses	-	-85,200	-	-	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-31,752	-	-
Discretionary Offset	-	-478,000	-	-487,000	-	-516,011
Fee Accounts	393	230,000	446	236,000	460	252,349
Estimates at Enacted Level	393	200,000	446	253,552	460	252,349
Technical Adjustment: revised Breached Bond fee estimate (P.L. 109-13)	-	20,000	-	-	-	-
Technical Adjustment: revised Immigration User fee estimate (P.L. 109-13)	-	10,000	-	-	-	-
Technical Adjustment: revised Breached Bond Detention Fund fee estimate	-	-	-	-17,552	-	-
Transportation Security Administration	**52,615**	**3,666,275**	**50,363**	**4,116,014**	**50,380**	**2,487,155**
Discretionary Resources	52,615	5,813,275	50,363	5,915,014	50,380	6,047,462
Enacted Level	52,615	5,083,375	50,377	6,095,065	50,380	6,049,462
Technical Adjustment: reflect Alien Flight School funds	-	9,700	-	-	-	-
Technical Adjustment: reflect credentialing resources	-	27,000	-	-	-	-
Technical Adjustment: reflect FAMS from ICE for comparability	-	662,900	-	-	-	-
Technical Adjustment: realignment of Alien Flight School to fees	-	-9,700	-14	-10,000	-	-2,000
Technical Adjustment: revised Credentialing fee estimates	-	40,000	-	-131,000	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-39,051	-	-
Discretionary Offset	-	-2,397,000	-	-2,049,000	-	-3,810,307
Estimates at Enacted Level	-	-1,890,000	-	-2,170,000	-	-3,810,307
Technical Adjustment: revised TSA Security fee offset	-	-507,000	-	-20,000	-	-
Technical Adjustment: revised Credentialing fee offset	-	-	-	141,000	-	-
Fee Accounts	-	255,000	-	252,000	-	252,000
Estimates at Enacted Level	-	250,000	-	250,000	-	250,000
Technical Adjustment: realignment of Alien Flight School from discretionary	-	9,700	-	10,000	-	2,000
Technical Adjustment: revised Alien Flight School fee estimates	-	-4,700	-	-8,000	-	-
Fee Account Offset	-	-5,000	-	-2,000	-	-2,000
Rescission of Carryover Funds	-	-	-	-[5,500]	-	-
Preparedness Directorate	-	-	**966**	**4,041,132**	**1,028**	**3,419,989**
Discretionary Resources	-	-	966	4,041,132	1,028	3,419,989
Enacted Level	-	-	966	4,031,560	1,028	3,419,989
Technical Adjustment: realignment of Real ID Act funds	-	-	-	40,000	-	-
Supplemental (P.L. 109-148): State and Local	-	-	-	10,300	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-40,728	-	-
Analysis and Operations	-	-	**406**	**252,940**	**475**	**298,663**
Discretionary Resources	-	-	406	252,940	475	298,663
Enacted Level	-	-	406	255,495	475	298,663
Rescission (P.L. 109-148): 1% across the board	-	-	-	-2,555	-	-

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	Revised Enacted Crosswalk					
	FY 2005 Revised Enacted		FY 2006 Revised Enacted		FY 2007 President's Budget	
Component	FTE	Dollars	FTE	Dollars	FTE	Dollars
Federal Emergency Management Agency (FEMA)	**4,735**	**73,912,453**	**5,708**	**4,728,090**	**5,948**	**5,198,294**
Discretionary Resources	4,735	72,080,781	5,708	2,747,590	5,948	3,093,858
Enacted Level	4,735	5,498,596	5,668	2,818,719	5,948	3,093,858
Technical Adjustment: reflect NFIF offsetting collections	-	112,593	-	-	-	-
Technical Adjustment: score funds rescinded from unobligated balances as non-add	-	5,000	-	-	-	-
Technical Adjustment: revised Radiological Emergency Fund fee estimates	-	-184	-	-	-	-
Technical Adjustment: revised NFIF discretionary fee estimates	-	-	-	-62,000	-	-
Supplemental (P.L. 108-324): Disaster Relief	-	6,500,000	-	-	-	-
Supplemental (P.L. 109-61): Disaster Relief	-	10,000,000	-	-	-	-
Supplemental (P.L. 109-62): Disaster Relief	-	49,900,000	-	-	-	-
Supplemental (P.L. 109-62): Public Health - realigned from Disaster Relief	-	100,000	-	-	-	-
Supplemental (P.L. 109-62): Transfer to OIG from Disaster Relief	-	-15,000	-	-	-	-
Supplemental (P.L. 109-148): Administrative and Regional Operations	-	-	40	17,200	-	-
Supplemental (P.L. 109-148): Non-add - transfer of unoblig carryover to DADLP	-	-	-	[1,500]	-	-
Supplemental (P.L. 109-188): Non-add - transfer of unoblig carryover to DADLP	-	-	-	[751,000]	-	-
Rescission (P.L. 108-447): BioShield	-	-20,224	-	-	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-26,329	-	-
Discretionary Offset	-	-118,579	-	-123,854	-	-128,588
Estimates at Enacted Level	-	-112,593	-	-185,854	-	-128,588
Technical Adjustment: revised discretionary NFIF fee estimates	-	-5,986	-	62,000	-	-
Trust Fund & Public Enterprise Accounts	-	1,950,251	-	2,104,354	-	2,233,024
Estimates at Enacted Level	-	-	-	-	-	-
Technical Adjustment: reflect NFIF mandatory fee estimates	-	1,787,000	-	2,078,757	-	2,233,024
Technical Adjustment: revised mandatory NFIF fee estimates	-	163,251	-	25,597	-	-
Rescission of Carryover Funds	-	-[5,000]	-	-[23,409,300]	-	-
U.S. Citizenship & Immigration Services	**10,052**	**1,775,000**	**10,207**	**1,887,850**	**10,122**	**1,985,990**
Discretionary Resources	450	160,000	450	113,850	365	181,990
Enacted Level	450	160,000	450	115,000	365	181,990
Rescission (P.L. 109-148): 1% across the board	-	-	-	-1,150	-	-
Fee Accounts	9,602	1,615,000	9,757	1,774,000	9,757	1,804,000
Estimates at Enacted Level	9,487	1,571,000	9,757	1,774,000	9,757	1,804,000
Technical Adjustment: revised fee estimates	115	44,000	-	-	-	-
United States Secret Service	**6,516**	**1,385,758**	**6,564**	**1,403,489**	**6,613**	**1,465,103**
Discretionary Resources	6,516	1,175,758	6,564	1,203,489	6,613	1,265,103
Enacted Level	6,516	1,175,008	6,564	1,212,009	6,613	1,265,103
Technical Adjustment: score funds rescinded from unobligated balances as non-add	-	750	-	-	-	-
Supplemental (P.L. 109-148): Salaries and Expenses	-	-	-	3,600	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-12,120	-	-
Trust Fund	-	210,000	-	200,000	-	200,000
Estimates at Enacted Level	-	-	-	-	-	-
Technical Adjustment: reflect Retirement Pay estimates	-	200,000	-	200,000	-	200,000
Technical Adjustment: revised authority	-	10,000	-	-	-	-
Rescission of Carryover Funds	-	-[750]	-	-	-	-
United States Coast Guard	**46,809**	**7,753,427**	**47,121**	**8,400,297**	**47,598**	**8,422,075**
Discretionary Resources	46,809	6,532,687	47,121	7,116,852	47,598	7,116,772
Enacted Level	46,809	6,303,820	47,121	6,782,777	47,598	7,116,772
Technical Adjustment: score funds rescinded from unobligated balances as non-add	-	-	-	15,104	-	-
Technical Adjustment: reappropriated funds from rescinded unobligated balances	-	-	-	78,631	-	-
Technical Adjustment: presentation of Healthcare Fund Contribution	-	-	-	260,533	-	-
Technical Adjustment: transfer in from DOD (P.L. 109-148)	-	34,000	-	100,000	-	-
Supplemental (P.L. 108-324): Operating Expenses	-	33,367	-	-	-	-
Supplemental (P.L. 109-13): Operating Expenses	-	112,300	-	-	-	-
Supplemental (P.L. 109-13): Operating Expenses	-	49,200	-	-	-	-
Supplemental (P.L. 109-148): Operating Expenses	-	-	-	131,075	-	-
Supplemental (P.L. 109-148): Acquisition, Construction and Improvements	-	-	-	74,500	-	-
Supplemental (P.L. 109-148): realigned from Operating Expenses to ECR	-	-	-	400	-	-
Supplemental (P.L. 109-148): realigned from Operating Expenses to RDTE	-	-	-	525	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-66,160	-	-
Rescission (P.L. 109-148): Operating Expenses	-	-	-	-260,533	-	-
Mandatory Appropriation	-	1,085,460	-	1,014,080	-	1,063,323

Department of Homeland Security
February 6, 2006 - President's Budget

Dollars in Thousands

	Revised Enacted Crosswalk					
	FY 2005 Revised Enacted		FY 2006 Revised Enacted		FY 2007 President's Budget	
Component	**FTE**	**Dollars**	**FTE**	**Dollars**	**FTE**	**Dollars**
Trust Fund & Public Enterprise Accounts	-	135,280	-	269,365	-	241,980
Estimates at Enacted Level	-	-	-	-	-	-
Technical Adjustment: reflect estimated resources	-	135,280	-	185,280	-	241,980
Technical Adjustment: revised Boat Safety fee estimates	-	-	-	37,285	-	-
Technical Adjustment: revised Oil Spill Recovery fee estimates	-	-	-	46,800	-	-
Rescission of Carryover Funds	-	-[16,000]	-	-[100,103]	-	-
Federal Law Enforcement Training Center	**982**	**226,807**	**1,001**	**279,534**	**1,016**	**244,556**
Discretionary Resources	982	226,807	1,001	279,534	1,016	244,556
Enacted Level	959	222,357	1,001	282,358	1,016	244,556
Supplemental (P.L. 109-13): Salaries and Expenses	23	2,568	-	-	-	-
Supplemental (P.L. 109-13): Acquisition, Construction and Improvements	-	1,882	-	-	-	-
Rescission (P.L. 109-148): 1% across the board	-	-	-	-2,824	-	-
Science & Technology Directorate	**320**	**1,115,450**	**387**	**1,487,075**	**383**	**1,002,271**
Discretionary Resources	320	1,115,450	387	1,487,075	383	1,002,271
Enacted Level	320	1,115,450	387	1,502,096	383	1,002,271
Rescission (P.L. 109-148): 1% across the board	-	-	-	-15,021	-	-
Rescission of Carryover Funds	-	-	-	-[20,000]	-	-
Domestic Nuclear Detection Office	-	-	-	-	**112**	**535,788**
Real ID Act	-	-	-	-	-	-
Discretionary Resources	-	-	-	-	-	-
Enacted Level	-	-	-	40,000	-	-
Technical Adjustment: realignment of Real ID Act funds to Preparedness	-	-	-	-40,000	-	-
LEGACY DHS COMPONENTS						
BTS Under Secretary	**67**	**9,617**	-	-	-	-
Information Analysis & Infrastructure Protection Directorate	**803**	**887,108**	-	-	-	-
Discretionary Resources	803	887,108	-	-	-	-
Enacted Level	803	893,708	-	-	-	-
Technical Adjustment: Transfer to OSEM	-	-6,600	-	-	-	-
Office of State & Local Government Coordination (formerly ODP)	**220**	**3,984,846**	-	-	-	-
SUBTOTAL NET: Discretionary plus Mandatory, Fees, & Trust Funds	179,646	$105,313,341	182,131	$38,164,479	186,292	$38,261,916
Plus Discretionary Fee Offsets:	-	2,993,579	-	2,659,854	-	4,454,006
Plus Mandatory Fee Offsets:	-	5,000	-	2,000	-	2,000
TOTAL GROSS: Discretionary plus Mandatory, Fees, & Trust Funds	179,646	$108,311,920	182,131	$40,826,333	186,292	$42,718,922
Scorekeeping Adjustment for rescission of prior year unobligated balances:		-104,760		-23,357,903		-16,000
Adjusted Total Gross:	179,646	$108,207,160	182,131	$17,268,430	186,292	$42,702,922

NOTES:

FEMA Disaster Assistance Direct Loan Program (DALAP) does not reflect against FY 2006 revised enacted figures, $752.5 million transferred pursuant to P.L. 109-148 ($1.5 million) and P.L. 109-188 ($751 million), from unobligated carryover of Disaster Relief Supplemental in FY 2005 P.L. 109-62.

DHS Legacy Agency FY 2005 Actuals

Department of Homeland Security
Under Secretary for Border and Transportation Security
Summary by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual	
	FTE	AMOUNT
Salaries and Expenses	**64**	**9,122**
Total	**64**	**9,122**
Less: Adjustments for Other Funding Sources:		
Net, Enacted Appropriations and Budget Estimates	**64**	**9,122**

DHS Legacy Agency FY 2005 Actuals

Department of Homeland Security
Infrormation Analysis and Infrastructure Protection (IAIP)
Summary by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual FTE	FY 2005 Actual AMOUNT
Management and Administration		
Office of the Under Secretary	69	$5,488
Other Salaries and Expenses	---	102,783
Subtotal, Management and Administration	**69**	**108,271**
Assessments and Evaluations		
Critical Infrastructure Identification and Evaluation (CIIE)	108	43,684
National Infrastructure Simulation and Analysis Center (NISAC)	5	20,000
Biosurveillance (BIO)	8	1,569
Protective Actions (PA)	91	149,868
Critical Infrastructure Outreach and Partnership (CIOP)	82	98,254
Cyber Security (CS)	40	54,205
NS/EP Telecommunications (NS/EP)	96	137,523
Threat Determination and Assessment (TDA)	60	5,249
Infrastructure Vulnerability and Risk Assessment (IVRA)	27	54,450
Evaluations and Studies (E&S)	111	9,976
Competitive Analysis and Evaluation (CA&E)	31	1,375
Homeland Security Operations Center (HSOC)	75	29,718
Subtotal, Enacted Appropriations and Budget Estimates	**734**	**$605,871**
Total, Information Analysis and Infrstructure Protection	**803**	**714,142**
Less: Adjustments for Other Funding Sources:		
Net, Enacted Appropriations and Budget Estimates	**803**	**714,142**

DHS Legacy Agency FY 2005 Actuals

Department of Homeland Security
Office of State and Local Government Coordination and Preparedness
Summary by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual FTE	FY 2005 Actual AMOUNT
State Preparedness Grants Program		
State Grants		1,062,285
Citizen Corps		14,486
Law Enforcement Prevention		386,286
Metropolitan Medical Response System		28,971
Emergency Management Performance Grants		173,828
State Preparedness Grants Program Administration		43,123
Subtotal, State Preparedness Grants Program	**50**	**1,708,979**
Targeted Infrastructure Capability Grants Program		
UASI Regional Grants		854,657
Port Security Grants		145,631
Rail/Transit Security Grants		142,357
Intercity Bus Security Grants		9,657
Trucking Industry Security Grants		4,829
Targeted Infrastructure Capapbility Grants Program Administration		27,808
Subtotal, Targeted Infrastructure Capability Grants Program	**34**	**$1,184,939**
National Exercise Program		
National Exercise Series/TOPOFF		15,500
National Special Security Events Exercises		3,000
Federal, State, and Local Exercises		2,200
Prevention Exercises		4,000
Exercise Support Program		25,800
Emerging Exercise Needs		1,500
Subtotal, National Exercise Program	**28**	**52,000**
State and Local Training Program		
Continuing and Emerging Training		25,000
Center for Domestic Preparedness		55,000
National Domestic Preparedness Consortium		80,000
Competitive/Demonstration Training Grants		30,000
Rural Domestic Preparedness Consortium		5,000
Subtotal, State and Local Training Program	**28**	**195,000**
Technical Assistance Program		
Technical Assistance to Support Preparedness		10,000
Interoperable Communications		20,000
Technical Assistance Program Administration		31,082
Subtotal, Technical Assistance Program	**12**	**61,082**

DHS Legacy Agency FY 2005 Actuals

Department of Homeland Security
Office of State and Local Government Coordination and Preparedness
Summary by Program/Project Activity
(Continued)

Program/Project Activity	FY 2005 Actual FTE	FY 2005 Actual AMOUNT
Evaluation and National Assessment Program		
Program Implementation and Effectiveness		4,100
Preparedness Metrics and Assessment		10,200
Subtotal, Evaluation and National Assessment Program	**18**	**14,300**
Systems Support Program		
Commercial Equipment Direct Assistance Program		50,000
Subtotal, Systems Support Program	**---**	**50,000**
Salaries and Expenses	**23**	**3,546**
Fire Act Program		
Fire Program Activities		633,500
Fire Act Program Program Administration		18,515
SAFER Act Hiring Program		62,985
Subtotal, Fire Act Program	**28**	**715,000**
Total, Office of State and Local Government Coordination and Preparedness	**221**	**3,984,846**
Less: Adjustments for Other Funding Sources:		
Net, Enacted Appropriations and Budget Estimates	**221**	**3,984,846**

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Overall

There are a number of changes that merely adjust the fiscal years and involve re-numbering to reflect the proposed deletions. Fiscal year adjustments are included in proposed Sections 503, 504, and 516.

Proposal to Delete Language from Prior Section 503

SEC. 503. (a) None of the funds provided by this Act, provided by previous appropriations Acts to the agencies in or transferred to the Department of Homeland Security that remain available for obligation or expenditure in fiscal year [2006] 2007, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds that: (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds for any program, project, or activity for which funds have been denied or restricted by the Congress[; ***or*** **(4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose; or (5) contracts out any functions or activities for which funds have been appropriated for Federal full-time equivalent positions;]** unless the Committees on Appropriations of the Senate and the House of Representatives are notified 15 days in advance of such reprogramming of funds.

[(d) Notwithstanding subsections (a), (b), and (c) of this section, no funds shall be reprogrammed within or transferred between appropriations after June 30, except in extraordinary circumstances which imminently threaten the safety of human life or the protection of property.]

Explanation: For item (4), language is proposed for deletion to eliminate potential inconsistencies in reconciling House Reports, Senate Reports and the Joint Explanatory Statement. For item (5), language is proposed for deletion to eliminate the restrictions on contracting out functions for which funds have been appropriated for Federal FTEs. Circumstances may warrant from time to time that contracting out functions can be prudent and judicious use of federal funding resources.

Item (d) is proposed for deletion to provide the Department with greater flexibility with respect to timing of potential reprogrammings.

Proposal to Delete *Old* Section 504

[SEC. 504. None of the funds appropriated or otherwise made available to the Department of Homeland Security may be used to make payments to the "Department of Homeland Security Working Capital Fund", except for the activities and amounts allowed in section 6024 of Public Law 109-13, excluding the Homeland Secure Data

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Network: *Provided*, That any additional activities and amounts must be approved by the committees on Appropriations of the Senate and the House or Representatives 30 days in advance of obligation.]

Explanation: This section is proposed for deletion since the April 11, 2005 report referenced in Section 6024 of P.L. 109-13 does not include any FY 2007 data. The FY 2007 Congressional Budget Justification includes FY 2007 funding estimates for each Working Capital Fund activity.

Proposal to Delete Language in *New* Section 504

Proposed changes include deleting [a request] and [for approval] and inserting 'notice thereof'].

Explanation: Proposed deletions would clarify that submissions pursuant to this section are notifications.

Proposal to Delete Language in *New* Section 508

Proposes to delete [approval] and substitute *notification.*

Explanation: Proposed deletions would clarify that submissions pursuant to this section are notifications.

Proposal to Delete *Old* Section 513

[SEC. 513. The Secretary of Homeland Security shall take all actions necessary to ensure that the Department of Homeland Security is in compliance with the second provision of section 513 of Public Law 108-334 and shall report to the Committees on Appropriations of the Senate and House of Representatives biweekly beginning on October 1, 2005, on any reasons for non-compliance: *Provided*, That, furthermore, the Secretary shall take all possible actions, including the procurement of certified systems to inspect and screen air cargo on passenger aircraft, to increase the level of air cargo inspected beyond that mandated in section 513 of Public Law 109-334 and shall report to the Committees on Appropriations of the Senate and House of Representatives every six months on the actions taken and the percentage of air cargo inspected at each airport.]

Explanation: This provision is proposed for deletion because the Transportation Security Administration (TSA) is already in compliance with Section 513 of P. L. 108-334. TSA will keep the Committees on Appropriations of the Senate and House of Representatives apprised on the air cargo program.

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Proposal to Delete *Old* Section 514

[SEC. 514. Notwithstanding section 3302 of title 31, United States Code, for fiscal year 2006 and thereafter, the Administrator of the Transportation Security Administration may impose a reasonable charge for the lease of real and personal property to Transportation Security Administration employees and for use by Transportation Security Administration employees and may credit amounts received to the appropriation or fund initially charged for operating and maintaining the property, which amounts shall be available, without fiscal year limitation, for expenditure of property management, operation, protection, construction, repair, alteration, and related activities.]

Explanation: This section is not required for FY 2007 because it was made permanent in FY 2006.

Proposal to Delete *Old* Section 515

[SEC. 515. For fiscal year 2006 and thereafter, the acquisition management system of the Transportation Security Administration shall apply to the acquisition of services, as well as equipment, supplies, and materials.]

Explanation: This section is not required for FY 2007 because it was made permanent in FY 2006.

Proposal to Delete *Old* Section 516

[SEC. 516. Notwithstanding any other provision of law, the authority of the Office of Personnel Management to conduct personnel security and suitability background investigations, update investigations, and periodic reinvestigations of applicants for, or appointees in, positions in the Office of the Secretary and Executive Management, the Office of the Under Secretary for Management, Analysis and Operations, Immigration and Customs Enforcement, Directorate for Preparedness, and the Directorate of Science and Technology of the Department of Homeland Security is transferred to the Department of Homeland Security: *Provided,* That on request of the Department of Homeland Security, the Office of Personnel Management shall cooperate with and assist the Department in any investigation or reinvestigation under this section: *Provided further,* That this section shall cease to be effective at such time as the President has selected a single agency to conduct security clearance investigations pursuant to section 3001(c) of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458; 50 U.S.C. 435b) and the entity selected under section 3001(b) of such Act has reported to Congress that the agency selected pursuant to such section 3001(c) is capable of conducting all necessary investigations in a timely manner or has authorized the entities within the Department of Homeland Security covered by this section to conduct their own investigations pursuant to section 3001 of such Act.]

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Explanation: This provision is no longer necessary per the direction in Executive Order 13381, "Strengthening Processes Relating to Determining Eligibility for Access to Classified National Security Information". OMB Memorandum 05-17 allocates the responsibilities within EO 13381. The Office of Personnel Management was selected as the agency responsible for the day-to-day supervision and monitoring of security clearance investigations.

Proposal to Delete *Old* Section 517

[SEC. 517. Hereafter, notwithstanding any other provisions of law, funds appropriated under paragraphs (1) and (2) of the State and Local Programs heading under title III of this Act are exempt from section 6503(a) of title 31 United States Code.]

Explanation: This section is not required for FY 2007 because it was made permanent in FY 2006.

Proposal to Delete *Old* Section 518

[SEC. 518. (a) None of the funds provided by this or previous appropriations Acts may be obligated for deployment or implementation, on other than a test basis, of the Secure Flight program or any other follow on or successor passenger prescreening programs, until the Secretary of Homeland Security certifies, and the Government Accountability Office reports, to the Committees on Appropriations of the Senate and the House of Representatives, that all ten of the elements contained in paragraphs (1) through (10) of section 522(a) of Public Law 108-334 (118 Stat. 1319) have been successfully met.
(b) The report required by subsection (a) shall be submitted within 90 days after the certification required by such subsection is provided, and periodically thereafter, if necessary, until the Government Accountability Office confirms that all ten elements have been successfully met.
(c) During the testing phase permitted by paragraph (a) of this section, no information gathered from passengers, foreign or domestic air carriers, or reservation systems may be used to screen aviation passengers, or delay or deny boarding to such passengers, except in instances where passenger names are matched to a government watch list.
(d) None of the funds provided in this or any previous appropriations Act may be utilized to develop or test algorithms assigning risk to passengers whose names are not on government watch lists.
(e) None of the funds provided in this or previous appropriations Acts may be utilized for data or a database that is obtained from or remains under the control of a non-Federal entity: *Provided*, That this restriction shall not apply to Passenger Name Record data obtained from air carriers.]

Explanation: This provision is proposed for deletion as it restricts the Department's flexibility to execute this program in an effective and efficient manner.

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Proposal to Delete *Old* Section 519

[SEC. 519. None of the funds made available in this Act may be used to amend the oath of allegiance required by section 337 of the Immigration and Nationality Act (8. U.S.C. 1448).]

Explanation: DHS has stated in the past that the Executive branch should continue to be responsible for the actual language of the Oath of Renunciation and Allegiance. Through the Immigration and Nationality Act, the Congress has already provided a clear mandate on the necessary content and substance of the Oath.

Proposal to Delete *Old* Section 520

[SEC. 520. None of the funds appropriated by this Act may be used to process or approve a competition under Office of Management and Budget Circular A-76 for services provided as of June 1, 2004, by employees (including employees serving on a temporary or term basis) of Citizenship and Immigration Services of the Department of Homeland Security who are known as of that date as Immigration Information Officers, Contact Representatives, or Investigative Assistants.]

Explanation: This provision is proposed for deletion as it restricts the Department's flexibility. The Administration has adopted a reasoned and responsible approach for ensuring the fair and effective application of public-private competition. Management decisions about public-private competition, and accountability for results, should be vested with the USCIS. Agencies across the Government are using competitive sourcing in a reasoned and responsible manner to reduce costs and improve program performance. On a Government-wide basis, competitions completed in FYs 2003 and 2004 are expected to generate $2.5 billion in savings over 3 to 5 years.

Proposal to Delete *Old* Section 523

[SEC. 523. The Department of Homeland Security processing and data storage facilities at the John C. Stennis Space Center shall hereafter be known as the "National Center for Critical Information Processing and Storage".]

Explanation: This provision is unnecessary for FY 2007 as the FY 2006 provision named the facility.

Proposal to Delete *Old* Section 524

[SEC. 524. The Secretary, in consultation with industry stakeholders, shall develop standards and protocols for increasing the use of explosive detection equipment to screen air cargo when appropriate.]

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Explanation: This provision is unnecessary as the directive was completed during FY 2006.

Proposal to Delete *Old* Section 525

[SEC. 525. The Transportation Security Administration (TSA) shall utilize existing checked baggage explosive detection equipment and screeners to screen cargo carried on passenger aircraft to the greatest extent practicable at each airport: *Provided*, That beginning with November 2005, TSA shall provide a monthly report to the Committees on Appropriations of the Senate and the House of Representatives detailing, by airport, the amount of cargo carried on passenger aircraft that was screened by TSA in August 2005 and each month thereafter.]

Explanation: This section is proposed for deletion because TSA already has ample existing authority to use Transportation Security Officers (TSO) and screening equipment for the screening of cargo carried on passenger aircraft based on a risk assessment of the appropriate use of those resources for that purpose.

Proposal to Delete *Old* Section 526

[SEC. 526. None of the funds available for obligation for the transportation worker identification credential program shall be used to develop a personalization system that is decentralized or a card production capability that does not utilize an existing government card production facility: *Provided*, That no funding can be obligated for the next phase of production until the Committees on Appropriations of the Senate and the House of Representatives have been fully briefed on the results of the prototype phase and agree that the program should move forward.]

Explanation: This provision is proposed for deletion in order to provide sufficient flexibility in implementing this program in an effective and efficient manner.

Proposal to Delete *Old* Section 527

[SEC. 527. (a) From the unexpended balances of the United States Coast Guard "Acquisition, Construction, and Improvements" account specifically identified in the Joint Explanatory Statement (House Report 108-10) accompanying Public Law 108-7 for the 110-123 foot patrol boat upgrade, the Joint Explanatory Statement (House Report 108-280) accompanying Public Law 108-90 for the Fast Response Cutter/110-123 foot patrol boat conversion, and in the Joint Explanatory Statement (House Report 108-774) accompanying Public Law 108-334 for the Integrated Deepwater System patrol boats 110-123 foot conversion, $78,630,689 are rescinded.

(b) For necessary expenses of the United States Coast Guard for `Acquisition, Construction, and Improvements', an additional $78,630,689, to remain available until September 30, 2009, for the service life extension program of the current 110-foot Island

Class patrol boat fleet and accelerated design and production of the Fast Response Cutter.]

Explanation: This provision is proposed for deletion as it was a one-time rescission in FY 2006.

Proposal to Delete *Old* Section 528

[SEC. 528. The Secretary of Homeland Security shall utilize the Transportation Security Clearinghouse as the central identity management system for the development and operation of the registered traveler program and the transportation worker credential program for the purposes of collecting and aggregating biometric data necessary for background vetting; providing all associated record-keeping, customer service, and related functions; ensuring interoperability between different airports and vendors; and acting as a central activation, revocation, and transaction hub for participating airports, ports, and other points of presence.]

Explanation: This provision is proposed for deletion in order to provide sufficient flexibility in implementing this program. Restrictions on such critical programs serve only to limit their effectiveness and efficiency.

Proposal to Delete *Old* Section 529

[SEC. 529. None of the funds made available in this Act may be used by any person other than the privacy officer appointed pursuant to section 222 of the Homeland Security Act of 2002 (6 U.S.C. 142) to alter, direct that changes be made to, delay, or prohibit the transmission to Congress of any report prepared pursuant to paragraph (5) of such section.]

Explanation: This provision is proposed for deletion as it is inconsistent with the President's constitutional authority to coordinate and supervise all replies and comments from the Executive Branch to Congress.

Proposal to Delete *Old* Section 531

[SEC. 531. Except as provided in section 44945 of title 49, United States Code, funds appropriated or transferred to Transportation Security Administration "Aviation Security" and "Administration" in fiscal years 2004 and 2005 that are recovered or deobligated shall be available only for procurement and installation of explosive detection systems for air cargo, baggage, and checkpoint screening systems: *Provided*, That these funds shall be subject to section 503 of this Act.]

Explanation: This provision is proposed for deletion in an effort to provide greater flexibility in the use of appropriated resources and consider the most pressing needs in our efforts to protect our Homeland.

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Proposal to Delete *Old* Section 532

[SEC. 532. Not later than 60 days from the date of the enactment of this Act, the Secretary of Homeland Security shall conduct a survey of all ports of entry in the United States and designate an airport as a port of entry in each State that does not have a port of entry.]

Explanation: This provision is no longer required as it is a one-time directive.

Proposal to Delete *Old* Section 533

[SEC. 533. Notwithstanding any other provision of law, the Secretary of Homeland Security shall consider eligible under the Federal Emergency Management Agency Public Assistance Program the costs sufficient to enable the city to repair and upgrade all damaged and undamaged elements of the Carnegie Library in the City of Paso Robles, California, which was damaged by the 2003 San Simeon earthquake, so that the library is brought into conformance with all local code requirements for new construction: *Provided*, That the appropriate Federal share shall apply to approval for this project.]

Explanation: This provision is no longer required as it is a one-time directive.

Proposal to Delete *Old* Section 534

[SEC. 534. Notwithstanding any other provision of law, the Secretary of Homeland Security shall consider eligible under the Federal Emergency Management Agency Public Assistance Program costs for the damage to canals and wooden fumes, which was incurred during a 1996 storm and subsequent mudslide in El Dorado County, California, to the El Dorado Irrigation District, base on fifty percent of the costs of the Improved Project of the Mill Creek to Bull Creek tunnel proposed in a November 2001 Carleton Engineering Report: *Provided*, That the appropriate Federal share shall apply to approval for this project.]

Explanation: This provision is no longer required as it is a one-time directive.

Proposal to Delete *Old* Section 535

[SEC. 535. Notwithstanding any other provisions of law, the Secretary of Homeland Security shall consider eligible under the Federal Emergency Management Agency Public Assistance Program the costs sufficient to enable replacement of research and education materials and library collections and for other non-covered losses at the University of Hawaii Manoa campus, Hawaii, resulting from an October 30, 2004, flood event.]

Explanation: This provision is no longer required as it is a one-time directive.

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Proposal to Delete *Old* Section 536

[SEC. 536. Section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)) is amended by striking "the Internal Revenue Code of 1954 and agriculture as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f))," and inserting "the Internal Revenue Code of 1986, agriculture as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)), and the pressing of apples for cider on a farm,".]

Explanation: This provision is no longer required as it permanently amended the United States Code.

Proposal to Delete *Old* Section 537

[SEC. 537. Using funds made available in this Act, the Secretary of Homeland Security shall provide that each office within the Department that handles documents marked as Sensitive Security Information (SSI) shall have at least one employee in that office with authority to coordinate and make determinations on behalf of the agency that such documents meet the criteria for marking as SSI: *Provided,* That not later than December 31, 2005, the Secretary should submit to the Committees on Appropriations of the Senate and the House of Representatives: (1) Department-wide policies for designating, coordinating and marking documents as SSI; (2) Department-wide auditing and accountability procedures for documents designated and marked SSI; (3) the total number of SSI Coordinators within the Department; and (4) the total number of staff authorized to designate SSI documents within the Department: *Provided further*, That not later than January 31, 2006, the Secretary shall provide to the Committees on Appropriations of the Senate and the House of Representatives the title of all DHS documents that are designated as SSI in their entirety during the period October 1, 2005, through December 31, 2005: *Provided further*, That not later than January 31 of each succeeding year, starting on January 31, 2007, the Secretary shall provide annually a similar report to the Committees on Appropriations of the Senate and the House of Representatives on the titles of all DHS documents that are designated as SSI in their entirety during the period of January 1 through December 31 for the preceding year: *Provided further*, That the Secretary shall promulgate guidance that includes common but extensive examples of SSI that further define the individual categories of information cited under 49 CFR 1520(b)(1) through (16) and eliminates judgment by covered persons in the application of the SSI marking: *Provided further*, That such guidance shall serve as the primary basis and authority for the marking of DHS information as SSI by covered persons.]

Explanation: This provision is proposed for deletion because the reporting requirement has been completed.

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Proposal to Delete *Old* Section 538

[SEC. 538. For grants to States pursuant to section 204(a) of the REAL ID Act of 2005 (Division B of Public Law 109-13), $40,000,000, to remain available until expended: *Provided*, That of the funds provided under this section, $34,000,000 may not be obligated or allocated for grants until the Committees on Appropriation of the Senate and the House of Representatives receive and approve and implementation plan for the responsibilities of the Department of Homeland Security under the REAL ID Act of 2005 (Division B of Public Law 109-13), including the proposed uses of the grant monies: *Provided further*, That of the funds provided under this section, not less than $6,000,000 shall be made available within 60 days from the date of enactment of this Act to States for pilot projects on integrating hardware, software, and information management systems.]

Explanation: This provision is proposed for deletion as this was a one-time appropriation.

Proposal for *New* Section 515 (Revisions to *Old* Section 539)

SEC. **[539. For activities related to the]** 515. *The* Department of Homeland Security Working Capital fund, **[subsection (f) of]** *established, pursuant to* section 403 of Public Law 103-356 (31 U.S.C. 501 note), **[is amended by striking "October 1, 2005" and inserting "October 1, 2006]** *shall continue operations during fiscal year 2007.*

Explanation: This provision provides for continued operations of the Department of Homeland Security Working Capital Fund during FY 2007.

Proposal to Delete *Old* Section 540

[SEC. 540. For fiscal year 2006 and thereafter, notwithstanding section 553 of title 5, United States Code, the Secretary of Homeland Security shall impose a fee for any registered traveler program undertaken by the Department of Homeland Security by notice in the Federal Register, and may modify the fee from time to time by notice in the Federal Register. *Provided*, That such fess shall not exceed the aggregate costs associated with the program and shall be credited to the Transportation Security Administration registered traveler fee account, to be available until expended.]

Explanation: This section is not required for FY 2007 because it was made permanent in FY 2006.

Proposal to Delete *Old* Section 541

[SEC. 541. A person who has completed a security awareness training course approved by or operated under a cooperative agreement with the Department of Homeland Security

using funds made available in fiscal year 2006 and thereafter or in any prior appropriations Acts, who is enrolled in a program recognized or acknowledged by and Information Sharing and Analysis Center, and who reports a situation, activity or incident pursuant to that program to an appropriate authority, shall not be liable for damages in any action brought in a Federal or Sate court which result from any act or omission unless such person is guilty of gross negligence or willful misconduct.]

Explanation: This section is not required for FY 2007 because it was made permanent in FY 2006.

Proposal to Delete *Old* Section 542

[SEC. 542. Of the unobligated balances available in the "Department of Homeland Security Working Capital Fund", $15,000,000 are rescinded.]

Explanation: This provision is proposed for deletion as it was a one-time rescission in FY 2006.

Proposal to Delete *Old* Section 543

[SEC. 543. Of the unobligated balances from prior year appropriations made available for Transportation Security Administration "Aviation Security", $5,500,000 are rescinded.]

Explanation: This provision is proposed for deletion as it was a one-time rescission in FY 2006.

Proposal to Delete *Old* Section 544

[SEC. 544. Of funds made available for the United States Coast Guard in previous appropriations Acts, $6,369,118 are rescinded, as follows: (1) $499,489 provided for "Coast Guard, Acquisition, Construction, and Improvements" in Public Law 105-277; (2) $87,097 provided for "Coast Guard, Operating Expenses" in Public Law 105-277; (3) $269,217 provided for "Coast Guard, Acquisition Construction, and Improvements" in Public Law 107-87; (4) $8,315 provided for "Coast Guard, Acquisition, Construction, and Improvements" in Public Law 106-69; and (5) $5,505,000 for "Coast Guard, Acquisition, Construction, and Improvements" in Public Law 108-90.]

Explanation: This provision is proposed for deletion as it was a one-time rescission in FY 2006.

Proposal to Delete *Old* Section 545

[SEC. 545. Of the unobligated balances from prior year appropriations made available for the "Counterterrorism Fund", $8,000,000 are rescinded.]

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Explanation: This provision is proposed for deletion as it was a one-time rescission in FY 2006.

Proposal to Delete *Old* Section 546

[SEC. 546. Of the unobligated balances from prior year appropriations made available for Science and Technology "Research, Development, Acquisition, and Operations", $20,000,000 are rescinded.]

Explanation: This provision is proposed for deletion as it was a one-time rescission in FY 2006.

Proposal to Delete *Old* Section 547

[SEC. 547. SECURITY SCREENING OPT-OUT PROGRAM. Section 44920 of title 49, United States Code, is amended by adding at the end of the following:

"(g) OPERATOR OF AIRPORT.—Notwithstanding any other provision of law, an operator of an airport shall not be liable for any claims for damages filed in State or Federal court (including a claim for compensatory, punitive, contributory, or indemnity damages) relating to—

"(1) such airport operator's decision to submit an application to the Secretary of Homeland Security under subsection (a) or section 44919 or such airport operator's decision not to submit an application; and

"(2) any act of negligence, gross negligence, or intentional wrongdoing by—

"(A) a qualified private screening company or any of its employees in any case in which the qualified private screening company is acting under a contract entered into the Secretary of Homeland Security or the Secretary's designee; or

"(B) employees of the Federal Government providing passenger and property security screening services at the airport.

"(3) Nothing in this section shall relieve any airport operator from liability for its own acts or omissions related to its security responsibilities, nor accept as may be provided by the Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 shall it relieve any qualified private screening company or its employees from any liability related to its own acts of negligence, gross negligence, or intentional wrongdoing.".]

Explanation: This provision is no longer required as it permanently amended the United States Code.

Department of Homeland Security
FY 2007 Explanation of Changes - General Provisions

Proposal to Delete *Old* Section 548

[SEC. 548. The weekly report required by Public Law 109-62 detailing the allocation and obligation of funds for "Disaster Relief" shall include: (1) detailed information on each allocation, obligation, or expenditure that totals more than $50,000,000 categorized by increments of not larger than $50,000,000; (2) the amount of credit card purchases by agency and mission assignment; (3) obligations, allocations, and expenditures, categorized by agency, by State, and for New Orleans, and by purpose and mission assignment; (4) status of the Disaster Relief Fund; and (5) specific reasons for all waivers granted and a description of each waiver: *Provided*, That the detailed information required by paragraph (1) shall include the purpose; whether the work will be performed by a governmental agency or a contractor, and, if the work is to be performed by a contractor, the name of the contractor, the type of contract let, and whether the contract is sole-source, full and open competition, or limited competition.

Explanation: This provision is proposed for deletion as the Department of Homeland Security continues to provide this data to the Committees on Appropriations of the Senate and House of Representatives on a weekly basis.

Proposal to Add *New* Section 516

Section 44940 of title 49, United States Code, is amended by striking subparagraph (c) in its entirety and inserting the following:

"(c) Limitation on Fee. – (1) For fiscal year 2007 and subsequent fiscal years, fees imposed under subsection (a)(1) may not exceed $5.00 per one-way trip in air transportation or intrastate air transportation that originates at an airport in the United States.".

Explanation: The proposed provision would change the airline passenger security fee to a $5.00 flat fee per one-way trip, regardless of the number of segments flown by a passenger. For passengers who fly two or more legs on a one-way trip, there will be no change to their fee. For passengers only flying one leg on a one-way trip, the fee will increase from $2.50 to $5.00. The change in fee structure will provide a more equitable distribution of fees per user. The additional fees provide a further offset toward fully recovering costs for federal aviation security operations as prescribed by the Aviation and Transportation Security Act.

Department of Homeland Security

U.S. Customs and Border Protection

Fiscal Year 2007

Overview

Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
U.S. Customs and Border Protection
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual*		FY 2006 Revised Enacted			FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
								Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT		FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	32,352	$4,658,544	33,675	$4,802,190	1/	35,447	$5,519,022	1,772	$716,832	1,137	$537,091	635	$179,741
Automation Modernization	35	449,909	62	451,440		62	461,207	---	9,767	---	---	---	9,767
Air and Marine Operations	---	257,535	---	396,229		---	337,699	---	(58,530)	---	---	---	(58,530)
Construction	---	143,593	---	277,700	2/	---	255,954	---	(21,746)	---	139,923	---	(161,669)
Small Airports	45	5,004	45	6,048		45	6,230	---	182	---	---	---	182
COBRA	1,412	318,000	1,412	365,521		1,412	387,804	---	22,283	---	---	---	22,283
Land Border Inspection	292	28,000	292	23,969		292	28,071	---	4,102	---	---	---	4,102
Immigration Enforcement Fines	66	6,000	66	1,638		66	1,724	---	86	---	---	---	86
Puerto Rico Trust Fund	654	89,000	654	97,815		654	97,815	---	---	---	---	---	---
Immigration User Fee	4,058	429,000	4,058	503,137		4,058	529,300	---	26,163	---	---	---	26,163
Animal & Plant Health Inspection Service (APHIS)	1,722	204,000	1,722	211,120		1,722	214,287	---	3,167	---	---	---	3,167
Customs Unclaimed Goods	---	8,113	---	7,568		---	7,568	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	**40,636**	**$6,596,698**	**41,986**	**$7,144,375**		**43,758**	**$7,846,681**	**1,772**	**$702,306**	**1,137**	**$677,014**	**635**	**$25,292**
Less: Adjustments for Other Funding Sources:	---	(139,010)	---	---		---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**40,636**	**$6,457,688**	**41,986**	**$7,144,375**		**43,758**	**$7,846,681**	**1,772**	**$702,306**	**1,137**	**$677,014**	**635**	**$25,292**

1/ Includes $24.1M of supplemental funding provided in P.L. 109-148.
2/ Includes $10.4M of supplemental funding provided in P.L. 109-148
*The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334.

ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
U S Customs and Border Protection
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses	26,130	$ 3,773,488	6,222	$ 746,436	32,352	$ 4,519,924	27,630	$ 4,015,900	6,342	$ 787,196	33,972	$ 4,803,096	29,954	$ 4,679,868	6,389	$ 840,822	36,343	$ 5,519,022
[illegible] Management & Administration	2,860	956,432	634	182,433	3,494	[illegible]	2,860	1,042,984	634	284,066	3,494	1,236,650	2,860	1,025,125	664	232,916	3,524	1,258,041
Border Security Inspections & Trade Facilitation at POEs	10,648	1,062,253	3,245	523,206	13,893	1,585,459	10,332	[illegible]	4,285	529,689	14,617	1,663,117	10,802	1,174,267	5,122	554,347	15,924	1,728,614
Border Security & Control Between the Ports	11,955	1,671,387	–	–	11,955	1,671,387	12,944	1,778,899	–	–	12,944	1,778,899	14,536	[illegible]	–	–	14,536	2,420,866
Air and Marine Operations - Salaries	677	82,964	333	40,863	1,010	123,827	813	[illegible]	403	53,458	1,216	161,934	813	112,117	483	72,259	1,296	184,376
Automation Modernization	18	224,954	17	224,955	35	449,909	30	225,720	31	225,718	61	451,438	31	220,684	31	220,683	62	441,367
Construction	–	143,593	–	–	–	143,593	–	177,700	–	–	–	177,700	–	295,954	–	–	–	295,954
Air and Marine Interdiction, Operations, Maintenance and Procurement	–	172,548	–	64,987	–	237,535	–	165,373	–	130,756	–	296,129	–	226,250	–	111,411	–	337,661
Total Direct Appropriations and Budget Estimates	26,130	$4,314,133	6,249	$ [illegible]	32,387	$5,170,573	27,644	$4,783,993	6,373	$1,143,666	33,717	$5,927,659	29,989	$5,391,816	6,438	$1,182,866	36,589	$6,671,888
Small Airports	45	5,004	–	–	45	5,004	45	6,048	–	–	45	6,048	45	6,230	–	–	45	6,230
Fee Accounts	9,284	1,874,000	–	–	9,284	1,874,000	9,284	[illegible]	–	–	9,284	1,783,250	9,284	1,259,993	–	–	9,284	1,259,993
COBRA	1,412	[illegible]	–	–	1,412	[illegible]	1,412	165,221	–	–	1,412	165,221	1,412	[illegible]	–	–	1,412	[illegible]
[illegible] Inspection Fees	292	[illegible]	–	–	292	[illegible]	292	23,965	–	–	292	23,965	292	[illegible]	–	–	292	[illegible]
Immigration Enforcement Fines	66	6,200	–	–	66	[illegible]	66	[illegible]	–	–	66	1,638	66	[illegible]	–	–	66	1,774
[illegible] Fines Fund	654	89,000	–	–	654	[illegible]	654	[illegible]	–	–	654	57,911	654	93,911	–	–	654	[illegible]
[illegible] Fee	4,038	[illegible]	–	–	[illegible]	[illegible]	4,038	[illegible]	–	–	4,038	[illegible]	[illegible]	[illegible]	–	–	4,038	[illegible]
[illegible] & Plant Health Inspection Services [illegible]	1,722	[illegible]	–	–	[illegible]	[illegible]	1,722	211,170	–	–	1,722	[illegible]	[illegible]	[illegible]	–	–	1,722	[illegible]
Reinvestment/Spectrum Transfer	–	–	–	–	–	–	–	–	–	–	–	–	–	75,699	–	–	–	75,699

FY 2005 Salaries and Expenses Actuals [illegible] transfers from other agencies in the amount of $29.1 million and [illegible] $6 million is homeland and $11.5 million is non-homeland.
FY 2006 Fees reflect the enacted level and does not include additional estimated [illegible] million in fees proposed as homeland.

iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
U.S. Customs and Border Protection

Status of Congressionally Requested Studies, Reports, and Evaluations

1. House Report 109-79, page 28 directs the Commissioner to report on specific performance metrics that will be applied to the America's Shield Initiative (ASI). Report currently under review process in DHS. Target response to Committee February 10, 2006.
2. House Report 109-79, page 28 directs CBP to report on the problems raised in the GSA IG audit report, including specific actions CBP has taken to ensure strong contract management and oversight, and ensuring that it uses competition to ensure the best price and performance of this critical system. Report currently under review process in DHS. Target response February 10, 2006.
3. House Report 109-79, page 29 directs CBP to report on the Interior Repatriation Program performance, including cost, associated full-time equivalent, and statistics relating to the numbers repatriated and any data on recidivism for individuals repatriated. Report pending OMB clearance. Target response February 10, 2006.
4. House Report 109-79, page 26 directs CBP to report on how the Non-Intrusive Inspection (NII) system selection and use could be improved, and the pros and cons of CBP involvement in financing or otherwise supporting NII systems at Container Security Initiative (CSI) ports. Report currently under review process in CBP. Target response February 10, 2006.
5. House Report 109-79, page 22 directs the Under Secretary to report on the progress that CBP and ICE are making with respect to the eight recommendations contained in the IG report (OIG-05-07, December 2004) on the use of stolen passports from visa waiver countries to enter the U.S., and continue reports until in full compliance with IG recommendations. CBP target response February 10, 2006 and August 10, 2006.
6. House Report 109-79, page 31 directs the Department to conduct a review, in conjunction with appropriate Washington State and Canadian entities, and to report back to the Committee all relevant Departmental issues related to the Vancouver Olympic and Paralympic Games, including, but not limited to, expected border flow, border security, estimated border wait times, and the possible need for increased border personnel. Report currently under review process in DHS. Target response February 10, 2006.
7. House Report 109-79, page 27 directs CBP to report on its projected spending for maintenance and replacement of large-scale NII systems (including truck and mobile truck x-ray systems, VACIS systems) for fiscal years 2006-2010. Target response February 10, 2006.
8. House Report 109-79, page 26 directs the Commissioner to report on (1) the status of the Radiation Portal Monitor (RPM) program, in terms of deployment, systems in the pipeline, and the gap that remains to be filled; (2) steps being taken by CBP to maximize

the effectiveness of RPMs to detect radioactive material; (3) the explicit tradeoffs made to reduce false positives and negatives, but to also minimize the risk that nuclear material will evade detection; (4) the spending plan for RPM investment and operation for fiscal years 2006-2010; (5) the results of pilot testing of systems to detect biological, chemical or explosive materials or weapons. Target response February 10, 2006.

9. House Report 109-79, page 26 states the Committee also supports the investigation by CBP into ways to improve security of domestic cargo containers that move or transit the United States as ''in-bond'' shipments, and includes $1,018,000 to continue this program, as requested. The Committee awaits the interim report on that effort, and reminds the Department that a report on the achievements of the program in fiscal year 2005 is due to the Committee on January 1, 2006. Report pending OMB clearance. Target response February 2006.
10. Senate Report 109-280, page 18 directs CBP to report on Integrated Surveillance Intelligence System-semi-annual update on master plan for the nationwide deployment of the ISIS program. Target response February 10, 2006.
11. Senate Report 109-83, page 24 directs CBP to establish a permanent Border Patrol facility in the U.S. Virgin Islands no later than March 1, 2006. If intelligence is available indicating this action is unnecessary, CBP should provide a report to the Committee, in classified and unclassified form, stating the specific reasons why such a facility is not required. Target response February 10, 2006.
12. Senate Report 109-83, page 26 directs the Department to report to the Committee no later than December 1, 2005, on its compliance with the recent arbitration ruling on the legacy Customs inspectors and CBP officers who received basic training at Federal Law Enforcement Training Center (FLETC) between January 1, 2002, and October 1, 2004, were not compensated for the sixth day of training for each week during that period. Report pending OMB clearance. Target response February 10, 2006.
13. Senate Report 109-83, page 23 directs the Department to provide a report to the Committee, no later than February 18, 2006, on the specific steps the Department has taken to work with host governments to explain the CSI targeting methods so as to overcome any reluctance to inspect potentially suspect containers, how CSI teams coordinate their efforts with Department of State personnel, what actions have been taken or consideration has been given to withdrawing CSI personnel from a CSI port if cooperation with CSI teams has not improved and the specific actions taken and planned to implement the recommendations made by the Government Accountability Office [GAO] in its April 2005 report (GAO–05–557), ''A Flexible Staffing Model and Minimum Equipment Requirements.'' Report currently under review process in CBP. Target response February 10, 2006.
14. Senate Report 109-83, page 18 states on June 9, 2005, the Department submitted a report on cargo container security which was 4 months overdue. This report did not meet the needs outlined in the statement of managers accompanying the conference report on the Department of Homeland Security Appropriations Act, 2005 (Public Law 108–334). The Department is directed to conduct the review again and submit a new report in full compliance with the stated requirements of the Committee. Report pending OMB clearance. Target response February 10, 2006.
15. Senate Report 109-83, page 27 directs the Department, in conjunction with the United States Department of Agriculture (USDA), to submit a report by February 18, 2006,

which details the specific actions each agency will take, or has already taken, to address the apparent 32 percent reduction in agriculture inspections and the lack of coordination and access between the Departments to targeting and planning intelligence information. Target response February 18, 2006.

16. Senate Report 109-83, page 23 directs Department to submit a report to the Committee, by February 18, 2006, on the CSI and C–TPAT programs, to include the following: (1) the most rigorous performance measures, including outcome-oriented indicators, which have been developed and implemented for CSI and C–TPAT; (2) a human capital plan that clearly describes how the programs will recruit, train, and retain staff overseas as the programs expand; and (3) the plans currently in place that lay out the goals, objectives, and detailed implementation strategies of the programs. Further, the report should include the results of the CSI and C–TPAT programs for each of fiscal years 2004 and 2005 and the specific actions taken and planned to implement the recommendations made by the GAO in its March 2005 report (GAO–05–128SU), ''Partnership Program Grants Importers Reduced Scrutiny with Limited Assurance of Improved Security.'' Target response February 10, 2006.
17. Senate Report 109-83, page 28 states the Committee believes that ACE and CBP modernization should be integrated, if not from the core, of DHS information system and border security technology, including the Container Security Initiative and Automated Targeting Systems. The Committee directs CBP to address such issues in its quarterly reports on ACE implementation progress. Target response March 1, 2006, June 1, 2006, September 1, 2006, and January 1, 2007.
18. Senate Report 109-83, page 26 directs the Department, in consultation with the U.S. Department of Treasury, to report on automating the interface between the Alcohol and Tobacco Tax and Trade Bureau [TTB] and CBP as a part of the on-going Automated Commercial Environment [ACE] project. This report should include projected costs of developing and supporting the interface between CBP and TTB, a projected timeline for developing this interface, the associated software changes to ACE required to automate the tobacco import process, the impediments to manually verifying each TTB import permit number, and any further actions planned by CBP to implement a verification process of certifications required under the Imported Cigarette Compliance Act of 2000 (Public Law 106–476). Report currently under review process in DHS. Target response February 10, 2006.
19. Conference Report 109-241, page 43 states the conferees are aware the Department has announced a plan to expand its expedited removal program, following success in reducing the overall cost of detention housing for other than Mexican nationals in the Laredo and Tucson sectors, in reducing the number of aliens released on their own recognizance, and in increasing deterrence. The conferees direct the Department to report not later than February 10, 2006, on Border Patrol costs associated with the expanded expedited removal program. Report currently under review process in DHS. Target response February 10, 2006.
20. Conference Report 109-241, page 44 directs CBP to confirm that it has completed all of the initiatives, processes, and procedures identified in its February 2005 report to the Committees on Appropriations (including Attachment 1) regarding implementation of the recommendations that were contained in the U.S. Treasury Department Office of the Inspector General report on the Continued Dumping and Subsidy Offset Act. Further,

the conferees direct CBP to implement the five recommendations for executive action contained in the GAO report (GAO–05–979) dated September 2005. If those processes and procedures have not been completed, CBP is directed to provide an explanation as to why they have not been completed, and a deadline for when they will be completed. This includes the deadlines for implementing the processes and procedures for verification, including, in particular, the development of the sampling methodology to validate the claimed amount; the testing plan; and all accompanying aspects of verification. Report is currently under review process in CBP. Report currently under review process in DHS. Target response February 10, 2006.

21. Conference Report 109-241, page 46 directs CBP to provide a spending plan and a revised master plan to the Committees on Appropriations that reflects this funding (Senate Report 109-83, page 30 directs the Department to submit a detailed spending plan for the following projects: construction associated with 1,000 new Border Patrol Agents, the San Diego Sector fence, Tucson Sector tactical infrastructure, and the Advanced Training Center by February 18, 2006. The spending plan should include, but not be limited to, the following information for each project and sub-project: a detailed cost breakout for construction, design, planning, project management; total estimated project and sub-project cost; and date each phase of the project and subproject is scheduled to begin and be completed). Report currently under review process with DHS. Target response February 10, 2006.
22. Conference Report 109-241, page 24 directs not later than 60 days from the date of the enactment of this Act, the Secretary of Homeland Security shall conduct a survey of all ports of entry in the United States and designate an airport as a port of entry in each State that does not have a port of entry. Report currently under review with DHS. Target response February 2006.
23. Conference Report 109-241, page 44 directs the Department to report to the Committee by February 18, 2006, on how the funds for textile transshipment enforcement were used in fiscal years 2004 and 2005, and include in that report a 5-year enforcement strategy to reduce textile transshipment. Report currently under review in CBP. Target response February 10, 2006.
24. Conference Report 109-241, page 5 and 45 states Automated Commercial Environment: Provided, That none of the funds made available under this heading may be obligated for the Automated Commercial Environment until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security that (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A–11, part 7; (2) complies with the Department of Homeland Security information systems enterprise architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) includes a certification by the Chief Information Officer of the Department of Homeland Security that an independent verification and validation agent is currently under contract for the project; (5) is reviewed and approved by the Department of Homeland Security Investment Review Board, the Secretary of Homeland Security, and the Office of Management and Budget; and (6) is reviewed by the Government Accountability Office. Report currently under review process in DHS. Target response February 10, 2006.

25. Conference Report 109-241, page 43 states the Committee is aware scanners used to read and verify the identity of Mexican citizens via the swiping of Border Crossing Cards, or laser visas, are not deployed at all primary inspection lanes—including passenger vehicle lanes—along the Southwest border. The Committee believes these cards are a valuable identification tool and requests a report by February 18, 2006, on the plans to continue use of the Border Crossing Cards and the card scanners, the analysis performed to decide not to deploy scanners to all primary vehicle inspection lanes along the Southwest border, and the security benefits derived from the use of card scanners. Report currently under review process in DHS. Target response February 10, 2006.
26. Conference Report 109-241, page 46 states the conferees withhold $10,000,000 from the CBP Salaries and Expenses appropriation until the Committees on Appropriations receive a five-year strategic plan for CBP Air (and marine, if complete) that addresses missions, structure, operations, equipment, facilities and resources, including deployment and command and control requirements. This report is to include a modernization plan, including milestones and funding required to recapitalize its fleet and operations, as well as a detailed staffing plan showing current on-board positions, annual targets, and a timetable with associated costs to achieve full staffing to meet all mission requirements. No due date assigned in report language. Target response March 2006.
27. Conference Report 109-241, page 43 states by June 30, 2006, CBP is to provide the Committees on Appropriations with an update of its report submitted on July 7, 2005, describing interagency efforts to create a coordinated plan to increase antidumping and countervailing duty collections, particularly related to cases involving unfairly traded Asian imports. The report should break out the non-collected amounts for fiscal years 2004 and 2005, by order and claimant, along with a description of the specific reasons for the non-collection with respect to each order. Target response June 2006.
28. Conference Report 109-241, page 43 directs CBP to continue to work with the Department of Commerce, the Department of Treasury, the Office of the United States Trade Representative, and all other relevant agencies, to provide semiannual reports on its efforts to collect past due amounts and to increase current collections. Target response April 30, 2006 and October 30, 2006.

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
U.S. Customs and Border Protection
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Salaries and Expenses	2003	$2,739,695 1/	$3,195,094 2/	$5,525,252
Salaries and Expenses	2002 3/	such sums	730,710	5,525,252
Air and Marine Interdiction, Operations, Maintenance, and Procurement	NA	NA	NA	337,699
Automation Modernization	NA	NA	NA	461,207
Construction	NA	NA	NA	255,954
Total Direct Authorization/Appropriation		$2,739,695	$3,195,094	$6,580,112

Notes:

1/ Immigration and Naturalization Service - inspection, investigations, Border Patrol, detention and deportation only

2/ Includes $2,862,094,000 from the FY 2003 INS Salaries and Expenses appropriation, and $333,000,000 included in the FY 2003 Wartime Supplemental Appropriations Act, PL 108-11.

3/ Agriculture Plant and Health Inspection Service only.

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Salaries and Expenses

Fiscal Year 2007

Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST

U.S. CUSTOMS AND BORDER PROTECTION

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Customs and Border Protection
SALARIES AND EXPENSES

I. Appropriation Overview

A. Mission Statement for Salaries and Expenses:

Following the creation of the Department of Homeland Security (DHS), the Administration established the U.S. Customs and Border Protection (CBP) within the Department's Border and Transportation Security Directorate. CBP is the result of a merger of the inspection and trade functions from the legacy U.S. Customs Service (Customs) with all of the immigration inspection functions from the former Immigration and Naturalization Services (INS), the agricultural border inspection function from the Department of Agriculture's Animal and Plant Health Inspection Service, and the entire Border Patrol. The resulting 41,000-strong CBP created, for the first time, one federal agency entrusted with all significant U.S. border responsibility.

As a result, CBP is the federal agency principally responsible for security of our nation's borders, both at and between the ports of entry. For the first time, one United States border agency can develop and implement a comprehensive strategy for security and enforcement of all laws at our borders.

Homeland security is CBP's priority mission. Most importantly, that means preventing terrorists and terrorist weapons from entering the United States. An important aspect of this priority mission involves improving security at our borders and ports of entry, but it also means extending our zone of security beyond our physical borders. This extended border strategy is essential to creating smart borders and a layered defense-in-depth strategy.

CBP also performs its traditional missions. These include apprehending individuals attempting to enter the U.S. illegally, stemming the flow of illegal drugs and other contraband, protecting our agricultural and economic interests from harmful pests and diseases, regulating and facilitating international trade, collecting import duties, and enforcing U.S. trade laws.

CBP carries out its primary homeland security mission and its traditional missions without restricting the flow of legitimate trade and travel so important to our nation's economy. Accordingly, CBP has a dual mission – to prevent terrorists and their weapons of mass destruction from entering the U.S. and to facilitate legitimate trade and travel. CBP has found that by using advance information, risk management and technology, and by partnering with other nations and private industry, these goals need not be mutually exclusive.

CBP's primary field occupations include CBP Officers, Border Patrol agents, pilots, marine officers, import and entry specialists, and agricultural specialists. Its field organization is focused around 20 Border Patrol Sectors, 142 stations and substations, 20 Field Operations Offices and over 300 associated ports of entry. Field personnel use a mix of air and marine assets, non-intrusive technology

such as large-scale x-rays and radiation portal monitors, targeting systems, and automation to ensure the identification and apprehension of high-risk travelers and trade and the facilitation of legitimate traffic.

Mission Statement

We are the guardians of our Nation's borders.

We are America's frontline.

We safeguard the American homeland at and beyond our borders.

We protect the American public against terrorists and the instruments of terror.

We steadfastly enforce the laws of the United States while fostering our Nation's economic security through lawful international trade and travel.

We serve the American public with vigilance, integrity, and professionalism.

Core Values

Vigilance: Vigilance is how we ensure the safety of all Americans. We are continuously watchful and alert to deter, detect, and prevent threats to our Nation. We demonstrate courage and valor in the protection of our Nation.

Service to Country: Service to Country is embodied in the work we do. We are dedicated to defending and upholding the Constitution of the United States. The American people have entrusted us to protect the homeland and defend liberty.

Integrity: Integrity is our cornerstone. We are guided by the highest ethical and moral principles. Our actions bring honor to our agency and ourselves.

B. Budget Activities:

Headquarter Management and Administration
Headquarters Management and Administration provides critical policy and operational direction, mission support, including equipment, training, and technical expertise to CBP front-line personnel. This program is essential in carrying out CBP's dual mission of protecting our homeland while facilitating legitimate trade and travel.

Border Security Inspections and Trade Facilitation at the Ports of Entry
Inspections, Trade and Travel Facilitation at the Ports of Entry facilitates the flow of legitimate travel and trade across U.S. borders while ensuring that threats to the U.S. are not allowed entry. This is accomplished by using technology, intelligence and risk information, targeting and international cooperation in the screening of entering international cargo and travelers and departing export cargo. This program reduces the potential of terrorists' instruments of terror and contraband from entering the U.S. while facilitating the legal flow of people and trade by deploying CBP officers to the ports of entry. The goal of this program is to improve compliance with trade regulations and other mandatory

import/export guidance while increasing the security of the U.S. CBP has extended its zone of security beyond its physical borders through the use of bilateral and private-sector partnerships, targeting and scrutinizing advance information on people and products coming into this country. CBP is cultivating "smart borders" through the use of technology, has established a layered defense strategy and created "unifying CBP," a unified, recognizable presence at the border that combines and capitalizes on the authorities and skills of our diverse workforce.

Border Security and Control Between the Ports of Entry
The primary purpose of the Border Security and Control Between the Ports of Entry program is to establish and maintain operational control of U.S. borders by detecting responding to, and interdicting border penetrations. A national strategy that consists of five objectives has been established to achieve the mission of this program: 1) Establish substantial probability of apprehending terrorist attempting to illegally enter between ports of entry, 2) Deter illegal entries through improved enforcement, 3) Detect, apprehend, and deter smugglers of humans, drugs and other contraband, 4) Leverage "Smart Border" technology to multiply the effect of enforcement personnel, and 5) Reduce crime in border communities and consequently improve quality of life and economic vitality of targeted areas. The national strategy requires increasing our national security by augmenting enforcement resources along the northern and southern border. The proper balance in the deployment of personnel, equipment, intelligence, support, technology, and infrastructure is critical. Reducing our vulnerability to the entry of terrorists, illegal aliens and drugs by increasing personnel and resources, is the key to the successful implementation of this strategy.

CBP Air – Salaries
CBP Air - Salaries support a staff of over 1,200 pilots, law enforcement officers, operational support and administrative positions. It provides funding to enhance skills and expertise to deter, interdict, and prevent acts of terrorism arising from unlawful movement of people and goods across the borders of the U.S.

TRANSFER OF MANDATORY FUNDING ($75.7M)

In December 2004, the Congress passed and the President signed the Commercial Spectrum Enhancement Act (CSEA, Title II of P.L. 108-494), creating the Spectrum Relocation Fund (SRF) to streamline the relocation of Federal systems from certain spectrum bands to accommodate commercial use by facilitating reimbursement to affected agencies of relocation costs. The Federal Communications Commission has allocated this spectrum for Advanced Wireless Services, and plans to auction it as early as June 2006. Funds will be made available to agencies following the crediting of auction receipts to the SRF, anticipated in FY 2007. Following the transfer of funds from the SRF to agency accounts, system relocation efforts will commence. The amounts reported here are the agency's estimated relocation costs, and as reported to the Congress by the Department of Commerce in December 2005. Funds are mandatory and will remain available until expended, and agencies will return to the SRF any amounts received in excess of actual relocation costs.

CBP will use the $75.7 million to replace microwave transmitters, receivers, multiplexers and interfaces as needed, in keeping with engineering studies that will be undertaken to move from the current bands to the new bands.

C. Budget Request Summary:

The CBP Salaries and Expense requests 36,584 positions, 35,447 FTE, and $5,519,022,000 for FY 2007 Request. Total adjustments-to-base is 635 FTE and $179,741,000. Program increases include 2,274 positions, 1,137 FTE, and $537,091,000.

Secure Border Initiative ($639M) – Within the request is funding that supports the Secure Border Initiative (SBI). DHS developed a three-pillar approach under the SBI that will focus on controlling the border, building a robust interior enforcement program, and establishing a Temporary Worker Program. SBI, a performance-driven, department-wide enterprise will use resources from the Department's components to make dramatic changes in the border security system. It will cover every facet of how we sanction, manage, adjudicate, and remove persons caught crossing the border; deter illegal migration overall; manage immigration violators currently in the country; and interact with States and localities at the front lines of immigration problems.

Funding dedicated to SBI efforts facilitates a complete program encompassing many administrative, legal, and regulatory actions. Substantial resource enhancements provided in 2005 and 2006 will pave the way for an effective SBI program, and 2007 will be a turning point towards meeting long-term border security objectives.

$140 million of the $639 million is funded from the Construction account, with the remainder funded from the Salaries and Expense account. The following are a few of the key investments in CBP for SBI:

- **Border Patrol Agents** – $458.9 million to increase the agent workforce by 1,500 agents, bringing the total of new agents added since 2005 to 3,000; this brings the overall total number of agents to nearly 14,000. This addition increases the size of our Border Patrol Agent workforce to 42% above the level prior to the September 11th attacks. Operational control of our borders over the long term can only be attained with significant increases of the agent workforce.

- **Border Technology** – $100 million for border technology will enhance electronic surveillance and operational response ability. In 2006, DHS will solicit and award a contract to complete the transition from the current, limited-scope technology plan to one that addresses the Department's comprehensive and integrated technological needs, as well as the multitude of inputs necessary to secure our borders. Funding requested in the 2007 President's Budget will provide significant procurement investments needed to begin an aggressive deployment plan.

- **San Diego Border Infrastructure System** – $30 million to fund the continued construction of the San Diego Border Infrastructure System (BIS) project that includes multiple fences and patrol roads enabling quick enforcement response. Completion of this project gives the United States full operational control of the most urbanized corridor of our border with Mexico.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual**		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Headquarters Management and Administration	**3,494**	**$1,172,838**	**3,494**	**$1,256,650**	**3,524**	**$1,258,389**	**30**	**$1,739**	**30**	**$4,000**	**---**	**($2,261)**
Border Security Inspections and Trade Facilitation at POE's	**15,893**	**1,682,883**	**16,017**	**1,605,117**	**16,127**	**1,679,891**	**110**	**74,774**	**104**	**24,800**	**6**	**49,974**
Inspections, Trade & Travel Facilitation at POE's	15,379	1,242,800	15,372	1,249,648	15,393	1,282,102	21	32,454	21	6,000	---	26,454
Harbor Maintenance Fee Collection	---	3,000	---	3,000	---	3,026	---	26	---	---	---	26
Container Security Initiative (CSI)	94	126,096	149	137,402	155	139,312	6	1,910	---	---	6	1,910
Other International Programs	100	57,300	100	8,543	100	8,701	---	158	---	---	---	158
C-TPAT/FAST/NEXUS/SENTRI *	203	37,828	263	74,515	263	75,909	---	1,394	---	---	---	1,394
Inspection and Detection Technology	71	145,159	71	62,394	124	94,317	53	31,923	53	12,000	---	19,923
Systems for Targeting	7	29,800	8	27,970	8	27,298	---	(672)	---	---	---	(672)
National Targeting Center	39	16,100	54	16,530	84	23,635	30	7,105	30	6,800	---	305
Other Technologies	---	1,000	---	1,008	---	1,027	---	19	---	---	---	19
Training at the Ports of Entry	---	23,800	---	24,107	---	24,564	---	457	---	---	---	457
Border Security and Control between the POE's	**11,955**	**1,671,387**	**12,944**	**1,778,459**	**14,576**	**2,420,866**	**1,632**	**642,367**	**1,003**	**508,291**	**629**	**134,076**
Border Security and Control between POE's	11,955	1,517,720	12,944	1,725,547	14,576	2,243,619	1,632	518,072	1,003	385,000	629	133,072
Air Program Operations and Maintenance	---	37,300	---	---	---	---	---	---	---	---	---	---
Unmanned Aerial Vehicles	---	10,000	---	---	---	---	---	---	---	---	---	---
Border Technology	---	84,667	---	30,971	---	131,559	---	100,588	---	100,000	---	588
Training Between the Ports of Entry	---	21,700	---	21,981	---	45,688	---	23,707	---	23,291	---	416
4. Air and Marine Operations - Salaries	**1,010**	**131,436**	**1,220**	**161,924**	**1,220**	**159,876**	**---**	**(2,048)**	**---**	**---**	**---**	**(2,048)**
Subtotal, Enacted Appropriations and Budget Estimates	**32,352**	**$4,658,544**	**33,675**	**$4,802,190**	**35,447**	**$5,519,022**	**1,772**	**$716,832**	**1,137**	**$537,091**	**635**	**$179,741**
Less: Adjustments for Other Funding Sources:		**($139,010)**										
Net, Enacted Appropriations and Budget Estimates	**32,352**	**$4,519,534**	**33,675**	**$4,802,190**	**35,447**	**$5,519,022**	**1,772**	**$716,832**	**1,137**	**$537,091**	**635**	**$179,741**

* Funding for NEXUS/SENTRI in FY 2005 is included in "Inspections, Trade & Travel Facilitation at POE's" PPA.

**The FY 2005 column represents enacted budget authority pursuant to P.L. 108-344.

III. Current Services Program Description by PPA

Department of Homeland Security
Customs and Border Protection
Salaries and Expenses
Program Performance Justification
(Dollars in thousands)

PPA: HEADQUARTERS MANAGEMENT AND ADMINISTRATION

	Perm. Pos.	FTE	Amount
2005 Actual	**3,494**	**3,494**	**$1,172,838**
2006 Enacted	**3,494**	**3,494**	**1,256,650**
2007 Adjustments-to-Base	...	...	(2,261)
2007 Current Services	**3,494**	**3,494**	**1,254,389**
2007 Program Change	60	30	4,000
2007 Request	**3,554**	**3,524**	**1,258,389**
Total Change 2006-2007	60	30	1,739

CBP requests $1.3 billion for this activity. This is a net increase of $1.7 million over FY 2006 after nonrecurrals of $2.3 million for FY 2006 initiatives and a total program increase of $4 million for Procurement Staffing and Internal Control Audit.

CURRENT SERVICES PROGRAM DESCRIPTION:

Headquarters Management and Administration provides critical policy and operational direction, mission support, and technical expertise to CBP front-line personnel. This program is essential in carrying out CBP's dual mission of protecting our homeland while facilitating legitimate trade and travel.

The largest support organizations funded under CBP's Headquarters Management and Administration includes:

Office of Training and Development
The Office of Training and Development (OTD) is responsible for centralized leadership and direction of all CBP training programs. OTD directly executes career development programs, basic and advanced training to all occupations, management and executive development programs, and develops and implements the annual training plan for the agency. CBP is also responsible for operation of the advanced training facility in Harpers Ferry, West Virginia.

Office of Information and Technology
The Office of Information and Technology (OIT) provides integrated, comprehensive technical support to carry out the mission of CBP. OIT is responsible for developing, acquiring, testing, and maintaining existing technology and engineering new technology solutions; for managing the CBP Modernization Program; for overseeing the forensic and scientific analysis provided by the CBP laboratory system; for designing, developing, maintaining and training personnel on CBP's automated systems; for overseeing the tactical wireless radio program; and for ensuring the reliable performance of our infrastructure. OIT also manages the computer security program; establishes automated interfaces between CBP, trade participants, and other government agencies; and provides reference library and electronic information resources.

Office of Finance
The Office of Finance (OF) provides high quality, cost-efficient financial management services through customer involvement and modern, integrated financial systems, in support of CBP's goal of developing and promoting more effective and efficient methods to obtain and manage financial data, resources, and capital assets, consistent with the needs of customers and stakeholders. OF is responsible for acquiring and effectively managing the assets needed to accomplish CBP's frontline mission. This includes translating workloads and requirements into budget requests for needed resources, allocating and distributing funds after resources are made available, acquiring and distributing personnel, goods, and services that are used to accomplish CBP's mission, managing and paying for those goods and services, and reporting on costs and use of personnel, goods, and services.

Office of Human Resources
The Office of Human Resources (HRM) is responsible for ensuring effective delivery of the following services: filling positions, providing employee services and benefits, processing personnel actions, and facilitating workforce effectiveness. HRM promotes and enables mission accomplishments through human capital planning and utilization, strategic leadership with regard to CBP employees, and efficient processes and practices to meet customers' operational needs. HRM also manages the Safety and Health Program.

Other Organizations
Other organizations funded under Headquarters Management and Administration includes the following:

- Office of the Commissioner (OC)
- Office of the Chief Counsel (CC)
- Office of Congressional Affairs (OCA)
- Office of Management Inspections and Integrity Assurance (MIIA)
- Office of Public Affairs (OPA)
- Office of Strategic Trade (OST)
- Office of Regulations and Rulings (ORR)

PPA: BORDER SECURITY INSPECTIONS AND TRADE FACILITATION AT POE's

	Perm. Pos.	FTE	Amount
2005 Actual	**15,379**	**15,379**	**$1,242,800**
2006 Enacted	**15,372**	**15,372**	**1,249,648**
2007 Adjustments-to-Base	...	...	26,454
2007 Current Services	**15,372**	**15,372**	**1,276,102**
2007 Program Change	42	21	6,000
2007 Request	**15,414**	**15,393**	**1,282,102**
Total Change 2006-2007	42	21	32,454

CBP requests $1.3 billion for this activity. This is an increase of $32.5 million over FY 2006 for pay and non-pay inflation, as well as a total program increase of $6 million for the Immigration Advisory Program and Fraudulent Document Analysis Unit.

CURRENT SERVICES PROGRAM DESCRIPTION:

Registered Traveler Programs
Since the terrorist attacks of September 11th, CBP has placed great emphasis on developing and expanding registered traveler programs for passengers and commercial truck drivers at the land borders with Canada and Mexico, and developing similar programs for international air passengers. These International Registered Traveler (IRT) programs identify low-risk, pre-cleared travelers through an application, vetting and fingerprint/name check process, thereby allowing resources to be focused on more high-risk, unknown travelers. Currently, CBP has five credentialing programs – NEXUS Highway, NEXUS Air, the Free and Secure Trade (FAST) and the Secure Electronic Network for Traveler's Rapid Inspection (SENTRI) Highway and SENTRI Pedestrian. The FY 2006 Appropriations Act provided funding for FAST/NEXUS/SENTRI under C-TPAT (see C-TPAT for descriptions of these programs). CBP will launch another air program (US PASS) at John F. Kennedy International Airport in New York, in 2006.

United States Passenger Accelerated Service System (US-PASS)
The purpose of the United States Passenger Accelerated Service System (US-PASS) is to implement a single integrated passenger processing system that will expedite the movement of international low-risk, frequent air travelers by providing an alternative primary inspection process for pre-approved, pre-screened eligible travelers. The US-PASS pilot program will be implemented at John F. Kennedy (JFK) International Airport, Terminal 4, in 2006. Proposed expansion includes the other major international terminals at JFK, and the 21 other major airports in the US and Canada (pre-clearance locations).

Global Enrollment System (GES)
CBP, in coordination with OIT, has developed a Global Enrollment System (GES) for

all CBP registered traveler programs to be operational on the CBP national network. The GES has integrated the independent CBP enrollment and validation processes into a single solution, and provides a more efficient platform to share data and perform real-time watchlist and lookout checks. This system will also reduce the redundancy of maintaining several application processes and allow for a quicker and accurate manner to process applications.

A single online, paperless application process is being developed by CBP to support the GES and will allow a traveler to apply a single time for enrollment in all of the programs. It is envisioned that once GES is fully operational, CBP will have a single Registered Traveler program that will have a one-time application process that will allow a person to be registered in land, sea, or air programs.

Customs Automated Operations System (CAOS)
CAOS is a national client-server computer system running at the port of entry level that schedules enforcement operations and officer lane rotations in an unpredictable manner, uses illuminated signage to order operations or lane changes, and tracks all enforcement activity. The unpredictability of the system is designed to combat surveillance activity by smugglers, to deny the willful violator his choice of lane and to lessen the possibility of internal conspiracy.

The database records the particulars of all enforcement operations and has a number of statistical and analytical reports available. CAOS has been a highly effective tool for our field personnel, ensuring officer integrity, avoiding the predictability of operations, increasing accountability, and maximizing productivity.

Advanced Passenger Information System (APIS)
The Advance Passenger Information System (APIS) allows carriers to transmit passenger manifests to CBP, electronically, in advance of a vessel or aircraft arrival. Advanced electronic receipt of passenger and crew information gives CBP the opportunity to target individuals prior to arrival in order to concentrate our time on persons of interest and facilitate the flow of legitimate goods and services through the Federal Inspection Process. APIS is used as the backbone for the US-VISIT program and Automated Targeting System (ATS).

License Plate Readers
The License Plate Reader (LPR) system automatically locates, reads and communicates license plate information to the Treasury Enforcement Communication System (TECS). TECS then automatically queries its database for law enforcement information associated with that license plate and provides the CBP officer with the response information. As an enhancement to the LPR system, the Vehicle Counter System (VCS) capability utilizes the LPR equipment to count the number of vehicles passing through each lane as they enter the United States. There are currently 388 LPR lanes and 58 VC Systems deployed in the field.

Immigration Advisory Program (IAP)
CBP officers will be deployed overseas to perform a tactical function, the goal of which is to prevent the onward movement of people identified as national security threats. IAP works to disrupt and deter the transportation of inadmissible aliens and the use and proliferation of fraudulent documents. IAP provides information to host countries, or appropriate authorities regarding travelers of interest. IAP uses current targeting and passenger analysis information provided by the National Targeting Center (NTC) to focus on high-risk persons. These efforts are intended to lead to the apprehension and prosecution of criminals and persons of national security interest by host countries, the disruption of attempts to smuggle aliens and contraband, and the disruption of attempts to enter the United States with fraudulent documents. IAP will work with the host country's immigration and/or customs control authority and the air carrier who will take the appropriate action to prevent the person from boarding the flight. In FY 2006, CBP plans to deploy IAP to London and Tokyo.

Air Transit Program
The Air Transit Program (ATP) is a security-enhanced International-to-International (ITI) in-transit program that allows certain applicants for admission to transit through the United States without being in possession of a nonimmigrant visa. ATP allows the rapid facilitation of persons with and without visas to transit the United States without leaving sterile inspection areas of international U.S. ports of entry.

Fraudulent (Travel) Document Program
The Fraudulent Document Analysis Unit (FDAU), the Office of Field Operations entity connected with the National Targeting Center, was implemented on January 1, 2005. In response to *The 911 Commission Report,* it gathers in one location all the fraudulent documents intercepted at the ports of entry nationally. From these documents and their accompanying apprehension reports, analysts compile profiles of smugglers, then target persons whose travel was probably arranged by a smuggler for close scrutiny at entry. FDAU analysts also gather intelligence information, write regular reports and reports customized for the DHS requester, plot trends, generate document seizure statistics, and give briefings on international travel using fraudulent documents. Although the unit examines all fraudulent travel documents, it focuses on documents from terrorist-linked countries and documents presented by persons with a connection to terrorism. The products generated by the FDAU also benefit government intelligence units within DHS and other parts of the Federal Government, including Congress.

Admissibility Review Office
In January 2005, CBP created a new Admissibility Review Office (ARO) to provide a dedicated resource with institutional knowledge and a consistent approach in making determinations of admissibility, inadmissibility, and the exercise of discretion for inadmissible aliens under the Immigration and Nationality Act (INA). The ARO works extensively with the Department of State to determine whether inadmissible aliens may be permitted to travel as nonimmigrants with waivers. This process consists of reviewing applications submitted by aliens who have been determined by CBP officers or consular officers to be ineligible to be admitted to the United States because of one or more

grounds of inadmissibility under section 212(a) of the INA. The ARO must first review the record to determine whether the alien, in fact, is inadmissible and if so, whether, in the exercise of discretion, to approve authorization so that the alien may be admitted to the United States despite the existing ground(s) of inadmissibility. Each case requires an assessment of the risk of harm to society if the alien is to be admitted, balancing the risk of harm to the United States against the alien's reasons for wanting to travel.

In FY 2006, the ARO will provide authorizations to DOS for American consulates to issue boarding letters to permanent resident aliens who are overseas but have reported lost or stolen permanent resident cards. Other work that will transition to the ARO when a permanent location and staffing are secured includes:

- I-192 nonimmigrant waiver decisions made at all other ports (in addition to the preclearance workload already performed).
- Transition seat of government nonimmigrant waivers to the ARO.
- Establish process to consider immigrant waivers for returning aliens who have already been accorded permanent resident status but who have subsequently been determined to be inadmissible.
- Transition decision-making authority for all NSEERS waivers from field offices to the ARO.

Since January 2005, the ARO has received approximately 2600 Forms I-192 from preclearance sites and has been making decisions on 300-350 cases per month from consular posts worldwide since June 1, 2005.

Canine Enforcement Program

The Canine Enforcement Program (CEP) plays a crucial role in CBP's anti-terrorism and interdiction efforts. The Canine Enforcement Training Center (CETC), located in Front Royal, Virginia, provides training for all Office of Field Operations CBP Officers (K9); and on a reimbursable basis, to other Federal, state, local and foreign law enforcement agencies. The mission of the CEP is to develop, execute and oversee customer-driven policy needs for the allocation, training and support of canine resources. These valuable resources interdict explosives, chemicals, concealed humans, currency, narcotics, and prohibited agricultural products while facilitating legitimate trade and travel. CEP will continue to advance and develop the anti-terrorism aspects of our mission while maintaining the traditional roles of narcotics interdiction.

Trade Agreements Program

The current ambitious strategy of the United States in negotiating free trade agreements (FTAs) underscores the importance of trade for building international alliances for national security purposes and promoting economic prosperity. The OFO Trade Agreements Branch (TAB) represents CBP at FTA negotiations to ensure security and operational concerns are incorporated into final agreements. In addition to existing trade programs, the TAB has implemented three new FTAs in the past two years (Singapore, Chile, and Australia) and is preparing to implement three more in the next six to 12 months (Central America Free Trade Agreement, Bahrain, and Morocco). New FTAs

with 12 more countries are under negotiation and several more have been proposed, including the creation of a comprehensive Middle East Free Trade Area and the proposed Free Trade Agreement of the Americas, which will span the entire Western Hemisphere. The Panama FTA, the Thailand FTA, and the Andean FTA, which includes Ecuador, Colombia, and Peru, are scheduled for implementation by 2007. The TAB works with the Office of Regulations and Rulings (ORR), the Office of Information Technology (OIT), and the Office of Strategic Trade (OST) to interpret and monitor the FTAs, and provide training to CBP field offices and technical advice to the trade community.

Automated Commercial System (ACS) Reconciliation Prototype
The ACS Reconciliation Prototype allows participating importers to file entry summaries with CBP with the best available information, with the mutual understanding that certain elements, such as the declared value, remain outstanding. At a later date, when the specifics have been determined, the importer files a reconciliation, which provides the final and correct information. The Reconciliation is then liquidated, with a single bill or refund, as appropriate.

Currently over 2,000 companies participate in the prototype, including many of the largest and busiest importers in the country. Participants may "flag" entries for Reconciliation at any port. However, Reconciliation entries may only be filed at one of thirteen assigned processing ports. CBP has reviewed and liquidated thousands of Reconciliation entries since the prototype's inception.

Remote Location Filing Prototype
Remote Location Filing (RLF) allows approved customs brokers or importers to submit electronic entry data for clearance from a location other than the port of arrival. RLF was created as one of the Customs Modernization Act provisions enacted in December 1993. Approved importers and brokers transmit electronic entry data via the Automated Broker Interface (ABI) to RLF-trained CBP ports. This transaction includes an electronic invoice when requested. RLF may be used for processing formal (entry type 01) and informal (entry type 11) entries. This completely electronic, paperless transaction will be the "process model" for entry filing under the Automated Commercial Environment (ACE).

Account Management Program
The account management program (AMP) is designed to meet CBP's goal of changing the way CBP does business with the international trade community in order to facilitate and improve the flow of trade while enhancing homeland security. The AMP was established in 1997 to regulate and facilitate international trade and has since expanded in scope to include preventing terrorism. Implementation of the AMP's policies and procedures shifted the agency's method of conducting business from the traditional transactional approach to an account-based approach. All agency activities related to a particular account are linked and associated under this approach. Importantly, account management facilitates the measurement and tracking of account compliance and processing activities as information is compiled by account, rather than by transaction. Consequently, the agency manages its workload more efficiently.

Cargo Release Program
The Cargo Release program has responsibility for and oversight over the release by CBP Officers of all cargo arriving in the U.S. Cargo release is the process that allows merchandise to move into the commerce of the U.S. after it arrives at a U.S. port of entry. It begins with information provided to CBP by importers, customhouse brokers or other interested parties electronically and on paper. It continues through the review phase of processing, including targeting and selectivity and continues through the examination process. At the conclusion of the process, the reviewed and evaluated or examined merchandise is allowed to enter the commerce of the U.S.

Section 343 (a) of The Trade Act of 2002 (Public Law 107-210), as amended by section 108 of the Maritime Transportation Security Act of 2002 (Public Law 107-295), mandates the collection of electronic cargo information by CBP prior to the arrival of the cargo into the United States by any mode of commercial transportation. The information required must consist of information about the cargo that is determined to be reasonably necessary for CBP to identify high-risk shipments, ensure cargo safety and security and prevent smuggling pursuant to the laws that CBP enforces and administers. In addition, Cargo Selectivity information and ATS targeting results are provided with entry and manifest information to allow the CBP Officers to make informed release decisions. The OFO Cargo Release program maintains an ongoing relationship with the Office of Information Technology (OIT) to develop and refine both legacy systems (ACS) and new initiatives (ACE). The program also maintains a close working relationship with the electronic targeting areas of CBP. The program is responsible for the oversight of the Compliance Measurement (security) examination process and the trade examination process.

In all of the environments and modes of transportation, the Cargo Release program analyzes existing or proposed processes, assists in the development or amending of regulations, develops operational procedures and policies, communicates this policy and procedure to internal and external stakeholders and oversees implementation of these changes to reduce the negative impact of large scale changes. The program played a significant role in the development of procedures for and implementation of initiatives including the Bioterrorism Act, the Trade Act of 2002, the ACE releases and FAST.

Drawback Program
Drawback is a revenue program whereby CBP refunds monies previously paid on imported merchandise. Due to the programs complexity and because it refunds monies, it must have exceptionally tight internal control procedures.

Textile Enforcement and Operations Program
The Textile Enforcement and Operations Program (TEOD) has oversight over the implementation and enforcement of Free Trade Agreements (FTA), various trade legislation programs. The Program is also responsible for the implementation of all quotas, including those on agricultural products.

Outbound Programs
Outbound Programs is responsible for enforcing U.S. export laws and regulations and ensuring that weapons of mass destruction do not fall into the hands of criminals or terrorists. The mission is to interdict illegal exports of military and dual-use commodities controlled under the U.S. Munitions List and the Commerce Control List, enforce sanctions and embargoes against specially designated terrorist groups, rogue nations, organizations and individuals, interdict the illicit proceeds from narcotics and other criminal activities in the form of unreported and smuggled currency, interdict stolen vehicles, increase export compliance, and develop and utilize the Automated Export System (AES) to collect electronic export information and export manifest data that can be used to target illicit exports and increase targeting effectiveness. Outbound programs enforce the following laws and regulations; the International Traffic in Arms Regulations (ITAR) for the Department of State, the Export Administration Regulations (EAR) for the Department of Commerce, and sanctions and embargoes for the Department of Treasury's Office of Foreign Assets Control (OFAC). Additionally, Outbound Programs are responsible for ensuring that exports of Foreign Military Sales are done in accordance with the Department of State and Department of Defense regulations.

Antidumping Countervailing Duty (AD/CVD) Program
The AD/CVD program administers and oversees port operations with regard to Department of Commerce (DOC) AD/CVD orders. This includes sending electronic messages regarding DOC orders and other instruction to the ports to follow. When a DOC order is published, CBP must immediately suspend the liquidations of the entries affected and hold them suspended until DOC sends CBP a message to liquidate the entries. At that time CBP ports must identify all the entries and liquidate them. However, often times, when DOC sends a message to liquidate, private parties disagree with the instructions in them and go into court and get injunctions. When an injunction is received by CBP the agency must ensure that it prevents the liquidation of the entries specified in the injunction until the injunction is lifted and DOC sends further liquidation instructions. There are approximately 350 DOC orders for CBP to administer.

Commercial Enforcement Program
CBP must monitor importations to detect fraudulent or other non-compliant behavior by importers. The Headquarters office supports field offices that investigate all forms of commercial fraud throughout the country. These offices blend the expertise of import specialists, CBP officers, regulatory auditors and International Trade Specialists to fight fraud. Types of fraud schemes include, Counterfeiting, False Country of Origin, false merchandise descriptions, under valuation, misclassification all done to avoid the payment of duties or to enter prohibited goods into the United States.

Intellectual Property Rights (IPR) Enforcement Program
IPR enforcement is a priority trade issue for DHS (CBP and ICE) and also is coordinated with the Administration's government-wide STOP initiative (Strategy Targeting Organized Piracy). CBP enforces trademarks, trade names, and copyrights on its own statutory authority, and also enforces patents and other forms of intellectual property

pursuant to exclusion orders issued by the International Trade Commission under the authority in 19 U.S.C. 1337 and pursuant to court orders.

Seizures and Penalties Program
The Seizures program is responsible for oversight of the construction, maintenance, and security of agency permanent seized property storage facilities. Additionally, the program monitors the destruction of controlled substances and management and disposition of seized property stored in agency permanent seized property storage facilities.

The program, administered by Headquarters was created about 5 years ago to improve oversight and control of high risk seized property (drugs, guns, money), and to improve risk management relative to storage of seized property in agency controlled facilities. In recent years, the focus of the program has been to create strict internal controls, develop meaningful training, and to create automated tools to assist Headquarters in performing more effective oversight of field offices. Additionally, the focus has moved toward conducting unannounced inspections of agency permanent seized property storage facilities to determine compliance with established policies and procedures. Additionally, FY 2004 has seen the integration of legacy INS, Border Patrol and Agriculture into this program. The program has developed a unified standard protocol for the processing of asset forfeitures.

Agricultural Liaison
This program is responsible for developing policy and planning for CBP Agriculture programs, liaison issues, procedures, manual changes, and Memorandum of Agreement with USDA. The liaison coordinates stakeholders including agricultural subject matter experts (SME) for the Office of Inspector General (OIG) and the General Accounting Office (GAO), and coordinates congressional issues, pending legislation, and agriculture related training. Responsible for issue papers, reports, fact sheets, and briefing books.

Agricultural Safeguarding Programs
This program is responsible for development/negotiation of inspection guidelines, alerts, risk analysis, Agricultural Quarantine Inspection (AQI) Self Assessment, quality assurance liaison, monitoring methods and tools, cargo release protocols, staffing models (based on risk), new technology, export/transit issues, and civil penalty policy. Responsible for resolving complex AQI issues, developing plans for special operations in the agriculture environment, and liaison internally and externally (United States Department of Agriculture, Food and Drug Administration, Center for Disease Control, etc.) on all issues listed above.

Bio/Agro Terrorism
This program is responsible for Bio/Agro-terrorism strategies, planning and conducting internal test exercises, facilitating selection of agriculture criteria for targeting rules, developing intelligence sources internally and externally (in conjunction with NTS) for bio/agro-terrorism countermeasures and special operations, and developing liaison and expertise internally and externally related to bio/agro-terrorism. The program also

collects, analyzes, and reports on bio/agro-terrorism vulnerabilities and threats; uses subject matter experts to develop specialized training;, and develops partnerships to enable CBP to assess risk, anticipate, target, and intercept sources of bio/agro-terrorism.

Agricultural Food Safety and Endangered Species Program
CBP Office of Field Operations directs program and policy guidance with respect to the detection of food and agricultural shipments that require inspection intervention for one or more agencies that enforce trade and conservation laws. As the border agency with an overall primary legal jurisdiction over U.S. imports and exports, CBP coordinates the reporting, tracking and operational response to shipments that require primary governmental intervention for safety and regulatory purposes.

Air/Sea Cargo Security Program
The Cargo Security Verification Program addresses maritime and air cargo security matters, with a primary mission of securing cargo against terrorists and the transport of terrorist weapons within the cargo arena, and the coordination of maritime/air programs with other law enforcement agencies to ensure the maximization of efforts in these environments. The program provides a critical component in the facilitation and coordination among other law enforcement agencies of combined anti-terrorism efforts while ensuring the facilitation of trade continues with minimal effect on our economy. The component elements are:

Maritime – CBP has the lead for cargo security controls and measures to mitigate the risk of suspect shipments arriving from or departing to foreign destinations. These efforts support the CBP Cargo Security Strategy and other DHS initiatives such as implementation of the Maritime Transportation Security Act (MTSA). CBP works in collaboration with DHS and its components agencies, (i.e., USCG) on cargo and port security matters. This program supported the development of the Homeland Security Presidential Directive 13 (HSPD-13) National Strategy for Maritime Security and is involved in various aspects of the implementation of the Strategy for CBP and field offices.

Air Cargo – Implementation is underway of a national targeting strategy in support of the CBP Cargo Security Strategy. Additional coordination is being conducted with DHS and TSA to maximize efforts in the air cargo security environment. Under this program, CBP is supporting the DHS/Israeli work group in addressing air cargo security measures and identifying best practices.

The Cargo Security Verification Program plays an instrumental role in addressing maritime and air cargo security issues identified in the Security and Prosperity Partnership for North America and will participate in various working groups comprised of U.S., Mexican and Canadian government representatives.

Lastly, in support of the President's Proliferation Security Initiative (PSI), the Cargo Verification Program representatives participate in the U.S. interagency workgroup addressing maritime and air cargo operational matters.

PPA: HARBOR MAINTENANCE FEE (HMF) COLLECTION

	Perm. Pos.	FTE	Amount
2005 Actual	**...**	**...**	**$3,000**
2006 Enacted	**...**	**...**	**3,000**
2007 Adjustments-to-Base	...	...	26
2007 Current Services	**...**	**...**	**3,026**
2007 Program Change	...	...	...
2007 Request	**...**	**...**	**3,026**
Total Change 2006-2007	...	...	26

CBP requests $3 million for this activity. This is an increase of $26,000 over FY 2006 to cover non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Harbor Maintenance Fee is an Army Corps of Engineers (COE) fee, which is collected for the operation and maintenance, as well as improvements, of U.S. channels and harbors. CBP is reimbursed for a portion of the costs associated with the collection of the fee for COE.

PPA: CONTAINER SECURITY INITIATIVE (CSI)

	Perm. Pos.	FTE	Amount
2005 Actual	**143**	**94**	**$126,096**
2006 Enacted	**155**	**149**	**137,402**
2007 Adjustments-to-Base	...	6	1,910
2007 Current Services	**155**	**155**	**139,312**
2007 Program Change	...	...	...
2007 Request	**155**	**155**	**139,312**
Total Change 2006-2007	...	6	1,910

CBP requests $139.3 million for this activity. This is a net increase of $1.9 million over FY 2006 to cover pay and non-pay inflation of $2.6 million and nonrecurrals of $0.7 million from FY 2006 initiatives.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Container Security Initiative will continue its mission to prevent terrorists and terrorist weapons from entering the United States, while also facilitating the flow of legitimate trade. As of August, 2005, CSI was operational in 41 ports in Europe, Asia, Africa and North America, and covered over 73 percent of the volume of maritime containers destined to the United States. Today, CSI is the only multinational program in the world actually protecting the primary system of global trade – containerized shipping – from being exploited or disrupted by international terrorists.

The four core elements of CSI are:

- Identify high-risk containers. CBP uses automated targeting tools to identify containers that pose a potential risk for terrorism, based on advance information and strategic intelligence.

- Prescreen and evaluate containers before they are shipped. Containers are screened as early in the supply chain as possible, generally at the port of departure.

- Use technology to prescreen high-risk containers to rapidly complete the process without impeding the movement of trade.

- Use smarter, more secure containers that allow CBP officers at domestic States ports of arrival to identify containers that have been tampered with during transit.

Through the CSI program, CBP deploys multi-disciplined teams that include agents, intelligence analysts and CBP officers to selected foreign seaports throughout the world, to protect the United States and its citizens from potential terrorist attacks in the maritime cargo environment and to help secure the primary system of international trade: containerized shipping from a container loaded with a weapon of mass destruction or effect (WMD/E) such as a biological, chemical, radiological, nuclear or explosive device.

By the end of FY 2007, CSI will continue to work toward locating its ports in additional areas of the world where terrorist weapons can be detected, and specifically intends to expand CSI to over 53 ports covering about 81 percent of the volume of maritime containers destined to the United States.

CSI will continue fostering partnerships with other countries and our trading partners in order to inspect all high-risk containers before they are loaded on board vessels to the

United States. CBP will ensure effective coordination with host countries by conducting periodic risk evaluations of ports to assess the level of staffing and other resource needs. CBP will also encourage interagency cooperation by developing a capacity to collect and share information and trade data gathered from CSI ports.

PPA: OTHER INTERNATIONAL PROGRAMS

	Perm. Pos.	FTE	Amount
2005 Actual	**100**	**100**	**$57,300**
2006 Enacted	**100**	**100**	**8,543**
2007 Adjustments-to-Base	...	...	158
2007 Current Services	**100**	**100**	**8,701**
2007 Program Change	...	...	...
2007 Request	**100**	**100**	**8,701**
Total Change 2006-2007	...	...	158

CBP requests $8.7 million for this activity. This is an increase of $158,000 over FY 2006 to cover pay and non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

The goal of Other International Programs is to develop and implement a framework of standards to secure and facilitate global trade that is based upon principles designed and implemented by CBP to be implemented by the 164 World Customs Organization members. This program's efforts foster and facilitate legitimate international trade, increase compliance, build alliances to combat trans-national crime, reduce corruption, strengthen border controls, promote the rule of law and enhance economic stability throughout the world. This is all accomplished through the development and maintenance of collaborative relations with foreign governments, the development of international strategies, representation of CBP positions in various international forums, international technical assistance and training, and the negotiation of international agreements.

In FY 2007, CBP will continue to implement the standards to secure and facilitate global trade that is based upon principles designed and implemented by the 164 World Customs Organization members.

PPA: CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORIST (C-TPAT)/ FAST/SENTRI/NEXUS

	Perm. Pos.	FTE	Amount
2005 Actual	**263**	**203**	**$ 37,828**
2006 Enacted	**263**	**263**	**74,515**
2007 Adjustments-to-Base	...	...	1,394
2007 Current Services	**263**	**263**	**75,909**
2007 Program Change	...	...	...
2007 Request	**263**	**263**	**75,909**
Total Change 2006-2007	...	...	1,394

CBP requests $75.9 million for this activity. This is an increase of $1.4 million over FY 2006 to cover pay and non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

CBP recognizes that safe and secure international supply chains are critical components to securing our nation's borders against terrorism and to facilitate legitimate trade. C-TPAT provides the business community and government a venue to exchange ideas, information, and best practices in an ongoing effort to create a secure supply chain, from the foreign factory floor to U.S. ports of entry.

Supply Chain Security Specialists provide CBP with a cadre of personnel dedicated to providing advice and guidance to customs field officers and trade community representatives on supply chain security issues. In addition, the Supply Chain Security Specialists conduct C-TPAT validations, identify supply chain security vulnerabilities, and work with/monitor company initiatives that address those vulnerabilities. Validations conducted by Supply Chain Security Specialists serve to determine the accuracy and effectiveness of companies' security profiles as applied to their supply chain, both foreign and domestic.

To better secure and facilitate the flow of goods into the United States, CBP will ensure that existing and new C-TPAT partners fulfill their commitments by verifying that agreed security measures have been implemented. CBP will also work with its C-TPAT partners to further finalize minimum, applicable supply chain security criteria and security best practices. CBP will send teams of specialists around the globe, to visit members, their vendors, and vendors' plants to validate that supply chain security meets C-TPAT minimum security criteria and best practices and that procedures used are reliable, accurate, effective and meet the agreed upon security standards. CBP will continue

providing tools and creating incentives for the private sector to join C-TPAT, which is a prerequisite for the FAST program and other CBP expedited processing programs.

FAST
FAST is the cargo equivalent to facilitative programs in the passenger environment such as SENTRI and NEXUS. Through FAST, importers, commercial carriers, truck drivers, and manufacturers who enroll in the program and meet agreed upon security criteria, including participation in the C-TPAT program, are entitled to expedited clearance at the port of entry. Using electronic data transmission and transponder technology, CBP expedites clearance of approved trade participants. The FAST program fosters more secure supply chains and enables CBP to focus security efforts and inspections where they are needed most – on high-risk commerce. Proposed expansion sites for FY 2005 are: Oroville, WA, International Falls, MN; Sault Sainte Marie, MI; Ogdensburg, NY; Massena, NY; Houlton, ME; Calais, ME; Tecate, CA; Douglas, AZ; San Luis, AZ; Santa Teresa, NM; Eagle Pass, TX; Rio Grande City, TX; and Del Rio, TX.

NEXUS Highway
NEXUS is an enrollment program that identifies, through a complete background check and fingerprinting, low-risk travelers. Once an applicant is identified as low-risk they are enrolled in the NEXUS program and given a radio frequency identification card (RFID) that is specific to the traveler. The RFID card allows the traveler to utilize the NEXUS dedicated commuter lane, which is a specific primary lane at the land border port of entry that can only be used by NEXUS enrollees. The use of the NEXUS lane facilitates the movement of low-risk travelers. Possible expansion sites for NEXUS Highway in the next three to five years are: Lewiston Bridge, Buffalo, New York; Alexandria Bay, New York; Houlton, Maine; Pembina, North Dakota; and Sault Sainte Marie, Michigan.

NEXUS Air
NEXUS Air is an airport border clearance pilot project, pursuant to the *Accord on our Shared Border* and the *Smart Border Declaration* between Canada and the United States. The Canada Border Services Agency (CBSA) and CBP have jointly designed, developed, and implemented NEXUS Air at Vancouver International Airport, Vancouver, British Columbia, Canada. It is based upon the NEXUS Highway program and the Canadian CANPASS Program, formerly Expedited Passenger Processing System (EPPS). NEXUS Air has been developed as an alternate primary inspection process that will facilitate and expedite secure passage into Canada and the United States for pre-approved, low-risk frequent air travelers using automation to process through primary customs and immigration screening. This will allow CBSA and CBP officers to focus their efforts on unknown, potentially higher-risk travelers and goods.

Secure Electronic Network for Traveler's Rapid Inspection (SENTRI)
SENTRI is an enrollment program that identifies, through a complete background check and fingerprinting, low-risk travelers. Once an applicant is identified as low-risk they are enrolled in the SENTRI program and given a radio frequency identification card (RFID) that is specific to the traveler. The RFID card allows the traveler to utilize the SENTRI dedicated commuter lane, which is a specific primary lane at the land border port of entry

that can only be used by SENTRI enrollees. The use of the SENTRI lane facilitates the movement of low-risk travelers. SENTRI has been expanded to Brownsville, Laredo, and El Paso, Texas; Zaragosa Nogales, Arizona, Calexico, California and is pending installation at Hidalgo, TX.

PPA: INSPECTION AND DETECTION TECHNOLOGY

	Perm. Pos.	FTE	Amount
2005 Actual	**71**	**71**	**$145,159**
2006 Enacted	**71**	**71**	**62,394**
2007 Adjustments-to-Base	...	...	19,923
2007 Current Services	**71**	**71**	**82,317**
2007 Program Change	106	53	12,000
2007 Request	**177**	**124**	**94,317**
Total Change 2006-2007	106	53	31,923

CBP requests $94.3 million for this activity. This is an increase of $31.9 million over FY 2006 to cover pay and non-pay inflation and program increases of $12 million for Weapons of Mass Destruction Technology Staffing.

CURRENT SERVICES PROGRAM DESCRIPTION:

As trade increases, CBP's reliance on Non-Intrusive Inspection (NII) technology, the cornerstone of CBP's multi-layered strategy to secure the borders, becomes more and more critical. In conjunction with CBP's many other initiatives (C-TPAT, ATS, NTC, CSI, etc.), NII allows us to work "smarter."

An adversary can defeat any single sensor or device, and therefore, CBP does not rely on any single technology or inspection process. Instead, CBP uses various technologies in different combinations to substantially increase the likelihood that a nuclear or radiological weapon or weapons grade material will be detected.

CBP also uses NII technology to detect and interdict narcotics, currency and other contraband secreted in large containers and commercial shipments. Technologies deployed to our nations' land, sea and airports of entry include large-scale X-ray and gamma-imaging systems as well as a variety of portable and handheld technologies and include our recent focus on radiation detection technology.

NII technologies are viewed as force multipliers that enable CBP Officers to screen or examine a larger portion of the stream of commercial traffic while easing the flow of legitimate trade, cargo and passengers.

PPA: SYSTEMS FOR TARGETING

	Perm. Pos.	FTE	Amount
2005 Actual	**8**	**7**	**$ 29,800**
2006 Enacted	**8**	**8**	**27,970**
2007 Adjustments-to-Base	...	...	(672)
2007 Current Services	**8**	**8**	**27,298**
2007 Program Change	...	...	...
2007 Request	**8**	**8**	**27,298**
Total Change 2006-2007	...	...	(672)

CBP requests $27.3 million for this activity. This is a net decrease of $0.7 million below FY 2006 due to cover pay and non-pay inflation of $0.5 million and nonrecurrals of $1.2 million for FY 2006 initiatives.

CURRENT SERVICES PROGRAM DESCRIPTION:

At the core of CBP's ability to achieve its critical border security objectives and maintain the flow of lawful commerce is the ability to identify high-risk travelers and goods for inspection while allowing the vast majority of law-abiding travelers and commerce to move without unnecessary delay. Recent legislation and regulatory action, such as the Trade Act of 2002 and the 24-hour rule, have made it mandatory to provide advance information about passengers and goods arriving in the U.S. CBP uses computer technology and rule-based software to analyze the data provided on passengers and shipments arriving in the U.S. CBP applies its targeting methods against the data to determine which passengers or shipments need to be segregated for a closer look and possible intensive inspection.

The main platform used to perform this analysis is the Automated Targeting System (ATS). APIS and ACS provide CBP Officers (including those stationed overseas at CSI ports) with advanced notice of travelers and goods arriving at U.S. ports of entry , allowing them to cross-check the passenger and cargo manifests against databases such as Treasury Enforcement Communications System (TECS), the Interagency Border Inspection System (IBIS), and National Crime Information Center (NCIC) for "lookouts" for unlawful activity. CBP also uses ATS to analyze data in the Automated Export System (AES) on shipments leaving the U.S. ATS enhances the APIS, ACS, and AES data by running rules developed by CBP's subject matter experts to identify travelers and shipments with high-risk travel patterns. ATS also allows CBP officers to conduct advanced queries of these and other government databases to reveal new threat patterns. The ATS Land module expands the targeting methodology to include vehicles arriving at land border ports of entry, a mode of transportation without advanced arrival information.

Future targeting system enhancements will focus on increasing data collection from internal and external sources and improving graphical unit interface display capabilities.

PPA: NATIONAL TARGETING CENTER (NTC)

	Perm. Pos.	FTE	Amount
2005 Actual	**54**	**39**	**$ 16,100**
2006 Enacted	**54**	**54**	**16,530**
2007 Adjustments-to-Base	...	...	305
2007 Current Services	**54**	**54**	**16,835**
2007 Program Change	60	30	6,800
2007 Request	**114**	**84**	**23,635**
Total Change 2006-2007	60	30	7,105

CBP requests $23.6 million for this activity. This is a net increase of $7.1 million over FY 2006 due to pay and non-pay inflation of $0.3 million and program increases of $6.8 million for NTC.

CURRENT SERVICES PROGRAM DESCRIPTION:

The priority mission of CBP's National Targeting Center (NTC) is to provide around-the-clock tactical targeting and analytical research support for CBP antiterrorism efforts.

NTC is primarily staffed by CBP Officers, Border Patrol Agents, and Field Analysis Specialists who are experts in passenger and cargo targeting for air, sea, and land operations in the inbound and outbound environments.

The NTC staff develops tactical targets from raw intelligence in support of the CBP mission to detect and prevent terrorists and terrorist weapons from entering the U.S. NTC supports all CBP field elements, including CSI personnel stationed in countries around the world, with additional research assets from passenger and cargo examinations.

Targeting capabilities are also enhanced by participation of other government agency liaisons working alongside experienced CBP Targeters and Analysts.

NTC has integrated all key aspects of CBP targeting programs including CSI, the IAP and the US-VISIT program. In addition to providing targeting support for the expanding IAP and CSI programs, NTC is responsible for the real-time targeting of all international passengers departing from or arriving in the United States, to ensure that subjects of the No-Fly list are not permitted to board these flights. During FY 2006, NTC assumes all high risk international passengers will be screened prior to boarding with the implementation using the Advanced Passenger Information System (APIS).

NTC will continue to provide support to the IAP in FY 2006, when CBP deploys Officers to London and Tokyo. NTC provides real-time research and analysis for CBP IAP officers working with the host country immigration control authority and the air carrier to take appropriate action to prevent high risk individuals from boarding flights to the United States.

CSI is operational in 41 ports in Europe, Asia, Africa and North America and covers over 73 percent of the volume of maritime containers destined to the United States. As CSI expands to other ports in FY 2006, NTC will continue assist and augment targeting resources for CBP Officers detailed overseas and at the NTC for the Container Security Initiative.

PPA: OTHER TECHNOLOGIES

	Perm. Pos.	FTE	Amount
2005 Actual	...	...	**$1,000**
2006 Enacted	...	...	**1,008**
2007 Adjustments-to-Base	...	...	19
2007 Current Services	...	...	**1,027**
2007 Program Change	...	...	...
2007 Request	...	...	**1,027**
Total Change 2006-2007	...	...	19

CBP requests $1 million for this activity. This is an increase of $19,000 over FY 2006 to cover non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

In FY 2005, Congress directed CBP to identify, acquire and test container sensors designed to track and monitor agricultural shipments transiting the United States under bond. Through legislative language, Congress provided CBP with $1,000,000 to support such activities.

Members of Congress were aware that approximately 10 to 15 thousand agricultural shipments transit the United States for non-U.S. delivery each year. It is well recognized that these transshipments present some degree of identified risk to agriculture and livestock industries and to public health if these shipments were diverted and introduced into the United States. Some of the plant pests and animal diseases that could be harbored within these shipments, if established in the United States, could cause billions of dollars of damage per year in losses to domestic and export markets.

To identify viable technology, CBP established operational requirements which include devices capable of tracking and monitoring containers transiting the U. S. under bond, providing tamper status detection and notification, recording U.S. departures, and automating the entry closure processes at the point of U.S. departure.

To satisfy this operational requirement CBP, in cooperation with the Department of Homeland Security's Science and Technology Directorate (S&T) has begun to identify, acquire, test and – ultimately - certify containerized cargo sensor and tracking technology. Such technology will:

- meet or exceed operational security requirements, e.g., physical security and container sensing technological capability,
- function and operate under laboratory and field conditions,
- have the capacity for field-wide implementation, and
- be compatible with other programs.

CBP, in cooperation with S&T, will continue to identify technologies supportive of the evolution of the container security device and the advanced container security device. The collaborative efforts of CBP and S&T will assure that duplicative efforts are avoided, while bringing into line existing and /or emerging technologies.

PPA: AT THE PORTS TRAINING

	Perm. Pos.	FTE	Amount
2005 Actual	**...**	**...**	**$23,800**
2006 Enacted	**...**	**...**	**24,107**
2007 Adjustments-to-Base	...	...	457
2007 Current Services	**...**	**...**	**24,564**
2007 Program Change	...	...	...
2007 Request	**...**	**...**	**24,564**
Total Change 2006-2007	...	...	457

CBP requests $24.6 million for this activity. This is an increase of $0.5 million over FY 2006 to cover non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

At the Ports Training Programs are responsible for:

(1) CBP Academy
(2) OTD/Firearms and Tactical Training Division
(3) OTD/Leadership Center
(4) Anti-Terrorism
(5) Regulatory Auditor Training
(6) Cross-Occupational Training
(7) Other Training
(8) In-Service Training

The Office of Training and Development (OTD), through the National Training Plan (NTP), provides the CBP's national leadership with a comprehensive and accurate assessment of all standard, recurring training, and provides each individual in CBP the opportunity to round out their professional portfolio, while learning more about other offices and employees. The NTP provides CBP's headquarters and field managers an opportunity to advance the goal of "unifying CBP" by bringing the workforce together to train. It also emphasizes CBP's anti-terrorism mission as a strategic imperative, providing a robust menu of anti-terrorism related courses of every level of sophistication and covering a wide range of specialization. The NTP will continue to modernize and streamline the training and development infrastructure and ensure support of pivotal training such as firearms and tactical training, leadership, and advanced training programs. CBP will continue to utilize the NTP to successfully plan and execute training resources to effectively meet the ever expanding and evolving mission.

CBP Academy
The CBP Academy is located at the Federal Law Enforcement Training Center in Glynco, Georgia. The Academy is responsible for the development and delivery of basic-, mid-, and advanced-level training programs for mission critical occupations (e.g., CBP Officers, Agriculture Specialists, Import Specialists, Entry Specialists). This training represents key components of the goal to improve border security, improve inspection and control, facilitate trade, and combat terrorism.

OTD/Firearms and Tactical Training Division
The OTD/Firearms and Tactical Training Division (OTD/FTTD) manages, tracks, and controls all firearms and tactical training for approximately 18,000 armed CBP Officers. The OTD/FTTD ensures appropriate and continuous training in tactical, defensive, and use-of-force procedures for armed officers throughout their CBP career. Two Armories track, distribute, repair, and destroy firearms and body armor. These armories also conduct training and are located in Fort Benning, Georgia and Harpers Ferry, West Virginia.

OTD/Leadership Center
The OTD/Leadership Center, designs, develops, delivers, and evaluates training and development activities for CBP supervisors, managers, and executives. The OTD/Leadership Center provides core leadership/supervisory/management courses to meet organization, occupational, and individual needs.

Anti-Terrorism
OTD will continue to oversee anti-terrorism training programs, ensuring employee preparedness and skill development to confront the threat of terrorist incidents or infiltration along our borders.

Regulatory Auditor Training
The OTD in partnership with the Office of Strategic Trade provides basic-, mid-, and advance-level training for Regulatory Auditors. Basic training includes introduction to government auditing and CBP-specific auditing functions to include automated audit documents, report writing, interviewing techniques, valuation, and focused assessment audits. Intermediate and advanced training includes valuation, drawback, advanced writing skills, and continuing professional education needs. Other training focuses on balancing legitimate trade with security (basic and advanced financial investigations).

Cross-Occupational Training
Provides delivery of courses through local vendors to groups of employees from multiple occupations. Training courses include topics such as creative problem solving, managing multiple priorities, and advanced briefing techniques. Training is coordinated through OTD.

Other Training
OTD/Headquarters sponsors other basic and specialized training programs for various occupations offered CBP-wide. These training programs are funded through the NTP but are often coordinated with other NTP Training Leads, CBP organizations, and program managers for scheduling, facilities, instructors, etc.

In-service Training
Funding is provided to each CBP Office for discretionary individual and group training at the local level. Funding is allocated to individual organizations to conduct mandatory or job skills refresher training in areas such as Continuing Professional Education requirements and automation training obtained through various vendors.

PPA: BORDER SECURITY AND CONTROL BETWEEN THE POE'S

	Perm. Pos.	FTE	Amount
2005 Actual	**12,255**	**11,955**	**$1,517,720**
2006 Enacted	**13,573**	**12,944**	**1,725,547**
2007 Adjustments-to-Base	...	629	133,072
2007 Current Services	**13,573**	**13,573**	**1,858,619**
2007 Program Change	2,006	1,003	385,000
2007 Request	**15,579**	**14,576**	**2,243,619**
Total Change 2006-2007	2,006	1,632	518,072

CBP requests $2.2 billion for this activity. This is an increase of $518.1 million over FY 2006 (not including Headquarters and Administration costs) to cover annualization of $131.2 million, pay and non-pay inflation of $31.7 million, non-recurrals of $29.8 million , program increases of $385 million for additional Border Patrol Agents, and the Arizona Border Control Initiative.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Border Patrol (OBP) is responsible for detecting and interdicting illegal border crossers - including terrorists, illegal aliens, and smugglers - seeking to enter the U.S. between the ports of entry.

In FY 2007, OBP will continue to advance its mission of preventing illegal aliens, smugglers, narcotics and other contraband from entering the United States, as these measures directly impact the safety and security of the United States. To carry out its missions, the Border Patrol has a clear strategic goal: to establish and maintain operational control of the border of the United States.

To achieve the strategic goal, OBP has established a national strategy that consists of five objectives:

1) Establish substantial probability of apprehending terrorists attempting to illegally enter between ports of entry.

   The Border Patrol has a number of actions it will take to meet this objective. Among these initiatives are enhancements of partnerships with other federal, state, local, and tribal law enforcement agencies. In addition, the Border Patrol will pursue the strategic deployment of monitoring and sensoring platforms to increase the ability to detect, respond to, and interdict cross-border incursions. This will ensure that the Border Patrol responds to changes in criminal tactics in a comprehensive fashion, leaving minimal weaknesses to be exploited by terrorists or other criminals. It will also ensure that law enforcement officers can adjust to

changes brought about by increased enforcement in adjoining sectors, ports of entry, or other vulnerable areas.

Continued testing, acquisition, and deployment of technologies and initiatives to identify terrorists and their weapons will be critical. Examples include the Integrated Automated Fingerprint Identification System (IAFIS), and radiation detection and monitoring equipment at Border Patrol checkpoints and other strategic locations. These technologies will be complemented by rapid response teams such as the Border Patrol Tactical Team (BORTAC), the Border Patrol Search, Trauma, and Rescue Team (BORSTAR), Special Response Teams (SRT), and bomb and alien detection canines.

The Border Patrol will increase the use of targeting information from the NTC and other data and intelligence sources to identify potential terrorists. In coordination with CBP's Office of Anti-Terrorism, the Border Patrol will also increase participation in Joint Terrorism Task Force units where operationally feasible. In addition, the Border Patrol will rely on CBP's overseas assets in key locations, such as Canada and Mexico City, for information and operational support.

2) Deter illegal entries through improved enforcement

Past success has demonstrated that effective deployment of the proper mix of assets increases the "certainty of apprehension" of those intending to illegally cross our borders. Certainty of apprehension, along with a vigorous prosecution strategy for recidivists and smugglers, has established a deterrent effect in targeted locations. This strategic approach to border control has set the foundation for establishing focused operational control for other areas along our Nation's borders, especially in high-traffic/high-threat areas where illegal border-crossing and smuggling is prevalent.

CBP must continue similar strategies to gain, maintain, and expand operational control to other priority corridors. These priority areas will be defined by threat analysis to guide resource deployment and decision-making. Maintaining and expanding a strong enforcement posture along U.S. borders, including sufficient flexibility to address dynamic enforcement challenges, is critical to bringing operational control to our borders. Coordination with the OFO and potential impact on ports of entry will be included in planning and analysis, as will partnership with the Offices of Anti-Terrorism and Intelligence.

3) Detect, apprehend, and deter smugglers of humans, drugs, and other contraband.

The Border Patrol also maintains its traditional mission of preventing the entry and smuggling of illegal aliens, narcotics, and other contraband from entering the United States between official ports of entry. Drug and alien smuggling has become an increasingly sophisticated and complex criminal enterprise. The

Border Patrol will continue to deploy its resources in order to meet geographic and threat requirements to detect, interdict, and respond to alien smugglers, smugglers of illicit narcotics, and other contraband. The ability to collect, share, and process intelligence, data, and other information will be important to the detection, identification, and prosecution of criminal aliens, smugglers, and their networks. The Border Patrol and the Office of Information Technology must continue to test, acquire, and deploy technology to assist agents to detect and identify alien smugglers, criminals, and narcotics traffickers. Further partnership with the National Targeting Center, the development and use of tactical and strategic intelligence, and the expansion of IAFIS is also important to this objective.

The Border Patrol, in coordination with US ICE, will continue to expand its ability to target cross-border smuggling operations, consistent with agreed upon roles and responsibilities. The Border Patrol's continued participation and expansion in task force operations will also be a component of achieving this objective when operationally feasible and necessary.

4) Leverage "Smart Border" technology to multiply the effect of enforcement personnel.

The Border Patrol currently uses a mix of agents, information, and technology to control the border. The Border Patrol's ability to establish situational awareness, monitor, detect, respond to, and identify potential terrorists, instruments of terrorism, and criminals relies heavily on interdiction and deterrence-based technology. Having the necessary technology to support the Border Patrol priority and traditional missions cannot be overstated. In the future, there must be continued assessment, development, and deployment of the appropriate mix of personnel, technology, and information to gain, maintain, and expand coverage of the border and ensure that resources are deployed in a cost-effective, efficient fashion.

Technology which enhances operational awareness and effectiveness includes camera systems for day/night/infrared work, biometric systems such as IDENT/IAFIS, processing systems like Enforcement Case Tracking System (ENFORCE), sensoring platforms, large-scale gamma X-rays, and aerial platforms, and other systems. Technologies requiring modernization include wireless and tactical communications and computer processing capabilities.

Coordination between Border Patrol and inspectional personnel at the ports of entry ensures the most efficient use of trained personnel and technology. In the future, the Border Patrol will take advantage of the targeting and selectivity tools made available in the ACE and the NTC. The continued testing, evaluation, acquisition, and deployment of appropriate border enforcement technologies will be pursued vigorously so that the maximum force-multiplier effect is achieved in support of both the priority and traditional missions.

5) Reduce crime in border communities and consequently improve quality life and economic vitality of targeted areas.

   Past successes in border enforcement operations such as Operation Gatekeeper and the Arizona Border Control Initiative have demonstrated that a border under operational control directly correlates to reduced crime associated as high levels of illegal border incursions significantly impact border communities. The overall quality of life of border residents, economic expansion, and environmental protection significantly improves in areas where the Border Patrol's Strategy has been successfully implemented. The Border Patrol will continue to deploy resources and conduct public outreach in areas deemed high-threat or high-priority to improve the overall quality of life, reduce social service costs, and decrease crime in border areas.

   By maintaining an active presence in border communities, Border Patrol agents provide a deterrent to active smuggling, partner with local residents to identify illegal activity, and support cooperative local law enforcement efforts in both urban and remote areas of the country. The Border Patrol will also continue to expand and strengthen its current Border Safety Initiative to enhance the safety of migrants and border residents.

An effective border enforcement strategy requires a mixture of personnel and resources, as well as a wide variety of enforcement activities to be effective. The required resources (personnel, aircraft, technology, special initiatives, and tactical infrastructure) of a border enforcement system must be deployed in a balanced manner to complement the proactive national strategy. The OBP will continue in FY 2007 to utilize a variety of programs and initiatives to support strategic objectives.

PPA: BORDER TECHNOLOGY

	Perm. Pos.	FTE	Amount
2005 Actual	...	...	**$84,667**
2006 Enacted	...	...	**30,971**
2007 Adjustments-to-Base	...	...	588
2007 Current Services	...	...	**31,559**
2007 Program Change	...	...	100,000
2007 Request	...	...	**131,559**
Total Change 2006-2007	...	...	100,588

CBP requests $131.6 million for this activity. This is an increase of $100.6 million over FY 2006 to cover non-pay inflation and a program increase of $100 million for improved technology.

CURRENT SERVICES PROGRAM DESCRIPTION:

To carry out its mission and use the best technology available, CBP established a border technology program. Border technology supports the Border Patrol both tactically and strategically. At the tactical level, on-scene agents are provided with near real-time information on attempted border crossings by illegal aliens, terrorists, or smugglers. The installation of surveillance and sensory systems enables monitoring of targets expanses of the border. Strategically, knowledge of this capability will likely deter illegal aliens and smugglers from attempting to cross the border as they realize the increased potential for apprehension.

In FY 2007, new technology will be deployed based on prioritized threats and integrated with command, control, and situational awareness elements between the ports of entry. CBP will also evaluate and incorporate technology to support the maritime mission as it develops.

PPA: BETWEEN THE PORTS TRAINING

	Perm. Pos.	FTE	Amount
2005 Actual	**...**	**...**	**$21,700**
2006 Enacted	**...**	**...**	**21,981**
2007 Adjustments-to-Base	...	...	416
2007 Current Services	...	...	**22,397**
2007 Program Change	...	...	23,291
2007 Request	...	...	**45,688**
Total Change 2006-2007	...	...	23,707

CBP requests $45.7 million for this activity. This is an increase of $23.7 million over FY 2006 to cover non-pay inflation and a program increase of $23.3 million for Border Patrol Training.

CURRENT SERVICES PROGRAM DESCRIPTION:

Between the Ports Training Programs are responsible for:

(1) Border Patrol Academy
(2) OTD/Firearms and Tactical Training Division
(3) OTD/Leadership Center
(4) Anti-Terrorism
(5) Border Patrol Agent Training
(6) Cross-Occupational Training
(7) Other Training
(8) In-Service Training

The Office of Training and Development (OTD), through the National Training Plan (NTP), provides the CBP's national leadership with a comprehensive and accurate assessment of all standard, recurring training, and provides each individual in CBP the opportunity to round out their professional portfolio, while learning more about other offices and employees. NTP provides CBP's headquarters and field managers an opportunity to advance the goal of "unifying CBP" by bringing the workforce together to train. The NTP emphasizes CBP's anti-terrorism mission as a strategic imperative, providing a robust menu of anti-terrorism related courses of every level of sophistication and covering a wide range of specialization. The NTP will continue to modernize and streamline the training and development infrastructure and ensure support of pivotal training such as firearms and tactical training, leadership, and advanced training programs. CBP will continue to utilize the NTP to successfully plan and execute training resources to effectively meet the ever expanding and evolving mission.

Border Patrol Academy
The U.S. Border Patrol Academy identifies and provides core operational training for Border Patrol Agents to accomplish their mission of protecting the boundaries of the United States. The Border Patrol Academy is currently located in Artesia, New Mexico. Basic training for Border Patrol Agents is provided at Artesia. Advanced-level training and instructor training is held at Artesia and field delivered.

OTD/Firearms and Tactical Training Division
The OTD/Firearms and Tactical Training Division (OTD/FTTD) manages, tracks, and controls all firearms and tactical training for approximately 18,000 armed CBP Officers. The OTD/FTTD ensures appropriate and continuous training in tactical, defensive, and use-of-force procedures for armed officers throughout their CBP career. Two armories track, distribute, repair, and dispose of firearms and body armor. These armories also conduct training and are located in Fort Benning, Georgia and Harpers Ferry, West Virginia.

OTD/Leadership Center
The OTD/Leadership Center, designs, develops, delivers, and evaluates training and development activities for CBP supervisors, managers, and executives. The

OTD/Leadership Center provides core leadership/supervisory/management courses to meet organization, occupational, and individual needs.

Anti-Terrorism
The fight against terrorism remains the top priority for CBP. In support of that primary mission, the OTD will continue to oversee the anti-terrorism training program throughout FY 2005, ensuring employee preparedness and skill development to confront the threat of terrorist incidents or infiltration along our borders.

Border Patrol Agent Training
Border Patrol Agent Training is a new NTP component for FY 2005. Training courses focus on technical, intelligence, or specialized training for Border Patrol Agents. Training courses include Office of Border Patrol Technical Course for Supervisors, Border Patrol Agent In Charge (PAIC) Intel Course, Emergency Medical Technician Certification, Border Patrol Search, Trauma and Rescue (BORSTAR), and Snowmobile Instructor Training.

Cross-Occupational Training
Provides delivery of courses through local vendors to groups of employees from multiple occupations. Training courses include topics such as creative problem solving, managing multiple priorities, and advanced briefing techniques. Training is coordinated through OTD.

Other Training
OTD/Headquarters sponsors other basic and specialized training programs for various occupations offered CBP-wide. These training programs are funded through the NTP but are often coordinated with other NTP Training Leads, CBP organizations, and program managers for scheduling, facilities, instructors, etc.

In-service Training
Funding is provided to each CBP Office for discretionary individual and group training at the local level. Funding is allocated to individual organizations to conduct mandatory or job skills refresher training in areas such as Continuing Professional Education requirements and automation training obtained through various vendors.

PPA: AIR AND MARINE OPERATIONS - SALARIES

	Perm. Pos.	FTE	Amount
2005 Actual	**1,010**	**1,010**	**$131,436**
2006 Enacted	**1,220**	**1,220**	**$161,924**
2007 Adjustments-to-Base	...	...	(2,048)
2007 Current Services	**1,220**	**1,220**	**$159,876**
2007 Program Change	...	...	...
2007 Request	**1,220**	**1,220**	**$159,876**
Total Change 2006-2007	...	...	(2,048)

CBP requests $159.9 million for this activity. This is a net decrease of $2 million from FY 2006, due primarily to the $5 million transfer from National Capitol Region to the U.S. Coast Guard and pay adjustments and non-pay inflation of $3 million.

CURRENT SERVICES PROGRAM DESCRIPTION:

CBP Air secures the borders against terrorists, acts of terrorism, drug smuggling and other illegal activity by operating air and marine branches at strategic locations along the borders. Multi-mission aircraft with advanced sensors and communications equipment provide powerful interdiction and mobility capabilities directly in support of detecting, identifying and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers.

CBP Air utilizes the "system of systems" approach to tie various informational and operational elements together in a law enforcement environment. This established and proven model maximizes the capabilities of air and marine assets through a cohesive joint air operations model for centralized command and control and a responsive and integrated control system for decentralized execution.

CBP Air partners with numerous stakeholders in performing its missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders, source, transit and arrival zone operations, interior law enforcement support and support to other agencies. In fulfilling the priority mission of CBP to protect the borders, CBP Air's geographical mission has a strong focus along the southern border, with a recent expansion of coverage on the northern border.

The CBP Air Salaries and Expenses (S&E) appropriation covers Personnel Compensation and Benefits. If funds are available, this appropriation also covers expenses such as PCS moves, ammunition, firearms, administrative training and travel, school tuition for dependents of employees in foreign countries.

IV. Program Justification of Changes

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: National Targeting Center

Strategic Goal(s) & Objective(s): 2.3 – Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

PPA: National Targeting Center

Program Increase: Positions 60 FTE 30 Dollars $6,800

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							54	54	16,835
Program Increase							60	30	6,800
Total Request	**39**	**39**	**16,100**	**54**	**54**	**16,530**	**104**	**84**	**23,635**

Description of Item
Funding in the amount of $6.8 million is requested for positions and resources to support the physical expansion of the National Targeting Center (NTC) from one site to two sites in support of international passenger and cargo targeting operations and responsibility.

The NTC responds to high-risk cargo, conveyances, passengers and baggage entering or departing the U.S. in support of the CBP anti-terrorism mission. NTC staff strives to detect, deter and mitigate potential terrorism 24x7 by analyzing, researching and coordinating CBP anti-terrorism operations in all international modes of transportation, at and between each port of entry. The NTC is a key centralized communication point that facilitates field reporting and fosters interagency information exchange.

The greatest resource of the NTC is its professional staff. As the NTC staff gain experience in using intelligence reporting and automated analytical techniques and in leveraging other agency and international government targeting efforts, it is evident that to remain at peak performance substantial training and development is required for the current officers to properly employ actionable intelligence, develop internal information, and utilize automated information management tools to improve targeting. Additionally, the NTC collaboratively interacts with all CBP anti-terrorism border security initiatives, which requires the staff to remain cognizant of each. The budget funds requested are to

support the original and expanded NTC facilities, including personnel staffing, training, and general operating expenses related to staffing the NTC, as well as the anti-terrorism targeting, research and field support operations.

Justification
Increased resources are to support the original and expanded NTC facilities, including personnel staffing, training, and general operating expenses related to staffing the NTC, as well as the anti-terrorism targeting, research and field support operations. The FY 2006 level for the current NTC facility is $16.7 million, including 82 FTE.

Current space is inadequate for the needs of the NTC's mission to conduct timely research and targeting, in addition to the importance of maintaining liaisons with other agencies involved in the nation's anti-terrorism. A large portion of the existing building is being converted into a secure facility. A major impact of this conversion will be to exclude officers without appropriate security clearances from moving freely in the building. Liaisons from foreign government agencies will not be permitted to locate in the building. As a result, National Targeting & Security (NTS) recognized the need for an additional NTC facility and has taken steps to expand the facility to its targeting operations. The expanded NTC facility will host all cargo operations currently located at the original NTC location. This includes personnel supporting all cargo targeting rule development, Laboratory and Scientific Services (LSS), CSI, Food and Drug Administration (FDA), foreign nationals, Animal and Plant Health Inspection Service (APHIS) and Food Safety and Inspection Service (FSIS). U.S. Coast Guard, Department of Energy (DOE), and other groups requiring access to both sights to support passenger, crew, cargo and vessel targeting will have dedicated hot-desk locations to support their needs. Additionally, audio and visual communications will be expanded to support both facilities and provide seamless telephonic service to CBP field officers. To adequately staff both facilities, CBP needs a total of 112 FTE. The request will fill the gap between current and necessary staffing.

Impact on Performance (Relationship of Increase to Strategic Goals)
The increase in NTC staffing will enable the NTC to continue its progressive standards of excellence in pursuit of supporting DHS's mission. The NTC directly promotes the detection and deterrence of anti-terrorism threats to the homeland while balancing efforts to improve the facilitation of legitimate travel and trade.

Ideally, as DHS matures in its systematic integration of program and process development to protect the homeland, the implementation will require highly skilled professional personnel to coordinate efforts and facilitate those programs within CBP. The NTC is an excellent representation of CBP working with other DHS subcomponents and integrating other Department's resources. As an example, the NTC hosts liaisons with ICE, U.S. Coast Guard, Transportation Security Administration (TSA), FDA, USDA, and Department of Justice (DOJ). The integrated working environment optimizes rapid coordination and response to tactical, minute-by-minute operations for all represented DHS subcomponents involved in passenger and cargo anti-terrorism interdiction opportunities. Due to the NTC multi-agency collaboration it maximizes

support for the DHS strategic missions of awareness and prevention. However, only by stationing skilled and professional staff at the NTC will it continue to optimize the use of CBP and other agency liaison resources to detect, deter and mitigate threats to our homeland.

CBP's NTC is a subprogram of Border Security Inspections and Trade Facilitation at Ports of Entry program, which went through the Performance and Rating Tool (PART) evaluation in preparation for the FY 2007 Budget Cycle. As a result of PART, CBP developed new performance and efficiency measures, including one that highlights the cost/time savings that result from the centralized operations at the NTC. Since the NTC was established to facilitate field operations and coordinate communications with other DHS subcomponents and other Department agencies, it improves the response time efficiency and eliminates the need for other agency liaisons at each of the ports of entry.

The PART measures estimate that in 2007 operating efficiencies and economies of scale will result from the centralizing of operations at the NTC. This centralization will have secondary benefits for ports of entry by allowing them to focus more on continuous inspection operations while the NTC performs the necessary extended research and coordination. The secondary benefits will be a contributing factor in the -PART Measures for improved facilitation of legitimate travel and trade.

Program Increase 2: WMD Technology Staffing

Strategic Goal(s) & Objective(s): 2.3 – Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities

PPA: Non-Intrusive Inspection Technology

Program Increase: Positions 106 FTE 53 Dollars $12,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							71	71	82,317
Program Increase							106	53	12,000
Total Request	**71**	**71**	**145,189**	**71**	**71**	**62,394**	**177**	**124**	**94,317**

Description of Item
The program increase of $12.0 million and 106 positions will enhance CBP's ability to detect illicit radiological materials concealed within shipments, conveyances or containerized cargo entering the United States. The additional staff will support the deployment of WMD detection systems deployed through S&T's WMD procurement program. The new positions will ensure CBP will have dedicated personnel to resolve alarms from Radiation Portal Monitors (RPMs) and to conduct radiological examinations at our Nation's busiest seaports. Funding of $178.0 million within the Domestic Nuclear Detection Office (DNDO) of the S&T Directorate will ensure that a total of 621 RPMs will be deployed by FY 2007 to 94 terminals within the 22 largest domestic seaports.

Justification
Beginning in FY 2006, procurement and deployment of WMD detection technology systems are being funded by DNDO. The deployment and use of RPMs across the country requires that CBP have the staffing needed to use the equipment for increasing levels of inspection. The request proposes 106 CBP Officer positions tied to weapons of mass destruction (WMD) technology. This staff will ensure enough dedicated CBP personnel to conduct sufficient levels of WMD inspections at our Nation's seaports of entry. The requested personnel will be deployed to our 22 biggest seaports of entry. These top 22 seaports handle approximately 98 percent of the sea containers arriving in the United States. Preventing terrorists and cargo with radiological weapons of mass destruction from entering the United States is a core CBP mission.

Impact on Performance (Relationship of Increase to Strategic Goals)
In support of the DHS strategic goal to secure our borders against terrorists and means of terrorism, CBP has set goals to screen all cargo and conveyances for radiological materials with radiation portal monitors (RPM's)/radiation detection technology, per CBP's RPM Project Execution Plan. CBP's current baseline for screening of truck and sea containers for illicit radiological materials with radiation portal monitors is approximately 61 percent. In order to achieve CBP's goal of screening all shipments and conveyances for illicit radiological materials with radiation portal monitors, per CBP's RPM Project Execution Plan by the end of FY 2009, adequate funding must be received until full planned deployment of the equipment is achieved. Non-Intrusive Inspection equipment has become a critical tool for CBP to fulfill its mission of protecting our borders from WMDs, radiological materials and contraband. The initiative dramatically enhances the ability of CBP to inspect cargo and conveyances for components of weapons of mass destruction and other articles and instruments used in support of terrorist activities while facilitating legitimate commercial traffic through the Nation's ports of entry. Failure to obtain adequate funding to achieve full planned deployment will result in a reduction in CBP's ability to identify and interdict potential WMDs, possible WMD components and contraband from entering the United States through the ports of entry.

Program Increase 3: Immigration Advisory Program/ Fraudulent Document Analysis Unit

Strategic Goal(s) & Objective(s): 2.3 – Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

PPA: Inspections, Trade & Travel Facilitation at POE's

Program Increase: Positions 42 FTE 21 Dollars $6,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							---	---	4,000
Program Increase							42	21	6,000
Total Request	**---**	**---**	**2,000**	**---**	**---**	**4,000**	**42**	**21**	**10,000**

Description of Item

Immigration Advisory Program (IAP):

An additional funding of $4.8 million will allow CBP to fund continued deployment of officers in the Netherlands, Poland and at the NTC at planned deployments to the UK, Japan, and up to three additional locations. The request includes $3.4 million to hire an additional 30 CBP officers for this expansion. Currently, CBP has deployed a total of eight overseas Officers between Poland and the Netherlands, four in each location and three at NTC in support of IAP. The remaining $1.4 million will be used to cover operational costs.

Fraudulent Document Analysis Unit (FDAU):

Additional funding of $1.2 million will allow CBP to hire additional CBP officers and trade specialists requested to track documents, perform analysis, and carry out targeting functions based on document interceptions. The request seeks $1.0 million for 12 CBP positions. CBP currently has a total of two permanent CBP officers performing this activity. The remaining $0.2 million will be used to cover operational costs.

Justification

Immigration Advisory Program (IAP):

IAP will improve border security against the threat of terrorism by enabling CBP to identify and intercept suspected terrorists and undocumented passengers before boarding aircraft bound for the U.S. from these locations. The implementation of the IAP Program at the port of departure is the natural next step in expanding the existing international programs designed to segregate high-risk passengers. IAP further accomplishes CBP's efforts in extending our zone of security beyond our physical borders, which will improve border security against terrorist threats without stifling the flow of legitimate travel.

IAP will also save CBP's costs associated with processing, detaining, and removing inadmissible and inadequately documented aliens by interdicting those aliens before they board a U.S. bound aircraft. In addition, airlines will benefit by a reduction in fines as the result of increased carrier training and having a CBP officer on-site to review passenger documentation.

The requested amount will fund continued deployments of officers in the Netherlands, Poland and at NTC and the anticipated deployments to the UK, Japan, and up to three additional locations.

Fraudulent Document Analysis Unit (FDAU):
CBP created the FDAU in January 2005 to collect these documents and to provide the ports with analysis of document trends, intelligence information, and to target persons being smuggled into the U.S. using fraudulent documents. By the end of December 2005, the FDAU received 40,875 fraudulent documents confiscated at ports of entry and mail facilities. These documents can be tracked directly to the officer that seized the document at the port of entry. Helped by information provided by the FDAU, CBP anticipates taking 50,000 fraudulent documents out of circulation in FY 2007, and increasing the number by 5 percent in the years afterwards.

As part of a pilot operation, FDAU assigned one person for individual targeting. The results were very positive. From March until June of FY 2005, the FDAU apprehended 51 individuals using fraudulent documents. With the budget request, FDAU projects a 20 percent increase in the individuals apprehended per quarter.

The FDAU will distribute to the ports and the intelligence community 12 publications per year on document trends, interceptions, and intelligence derived from intercepted documents.

Impact on Performance (Relationship of Increase to Strategic Goals)
Immigration Advisory Program (IAP):
The increase of funding will allow IAP to expand to additional foreign locations enabling CBP to identify and intercept high-risk and improperly documented passengers prior to boarding flights bound for the United States. Prescreening travelers and travel documents at these expanded locations, will increase CBP's efforts and decrease these occurrences. The decline of improperly documented/high-risk travelers will reduce the U.S. Government's processing and the removal costs and the fines/penalties levied on air carriers.

IAP will play a major role in impacting the overall commercial air industry security by preventing high-risk passengers from boarding aircrafts. IAP also helps avoid, to the extent possible, situations where entire flights are delayed, cancelled, returned or diverted due to concerns about individual passengers.

In removing fraudulent documents from circulation, the FDAU prevents them from falling into the hands of individuals who pose threats to U.S. security. Intelligence derived from the seized documents allows us to perform advance targeting, which helps to prevent inadmissible persons from attempting entry into the U.S. The information that the FDAU develops assists other offices to evaluate travel programs, such as the Visa Waiver Program, and focuses on vulnerabilities in travel documents.

Program Increase 4: Headquarters Management and Administration/ Internal Controls Audit/Procurement Staffing

Strategic Goal(s) & Objective(s): 7.3 – Continually improve our way of doing business
PPA: Headquarters Management and Administration at the POE

Program Increase: Positions 60 FTE 30 Dollars $4,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	---	---	---	---	---	---	---	---	---
Program Increase	---	---	---	---	---	---	60	30	4,000
Total Request	---	---	---	---	---	---	**60**	**30**	**4,000**

Description of Item
Additional funding of $4.0 million is requested for Headquarters Management and Administration. Of these funds, $1.0 million will be used for internal control reporting, and $3.0 million to expand procurement capacity.

Justification
An increase of $1.0 million is requested as CBP's share of the cost for compliance with Public Law 108-330, *The Department of Homeland Security Financial Accountability Act*. The Act requires that the annual Performance and Accountability Report (PAR) include an assertion by the Secretary on the adequacy of internal controls that apply to financial reporting. In addition, the Act requires the Secretary to include an audit opinion over the Department's internal controls over financial reporting.

Requirements for internal control reporting and audit impose significant management challenges and resource demands on the Department and its components. To comply with the Act the Department's components must obtain contractor support to:

- provide training,
- develop internal control process analysis documentation,
- perform internal control test of design and test of operating effectiveness,

- develop significant remediation strategies for material weaknesses in internal control, and
- provide project management support for the Department's Internal Control Committee.

With respect to procurement, the request seeks an additional 60 positions to increase CBP's capacity to effectively procure goods and services. This request is in direct response to recent GAO analysis which found procurement shortcomings in several components of the Department, including CBP.

Impact on Performance (Relationship of Increase to Strategic Goals)
Funding will improve CBP's internal control/audit function and improve the procurement process.

Program Increase 5: Arizona Border Control Initiative

Strategic Goal(s) & Objective(s): 2.1 – Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws.
PPA: Border Security and Control Between the POEs

Program Increase: Positions 0 FTE 0 Dollars $8,500

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	---	---	---	---	---	---	---	---	1,000
Program Increase	---	---	---	---	---	1,000	---	---	8,500
Total Request	---	---	---	---	---	**1,000**	---	---	**9,500**

Description of Item
Additional funding in the amount of $8.5 million dollars is requested for travel, lodging and overtime of 110 Border Patrol Agents to Tucson, Arizona; Yuma, Arizona; and flanking Sectors. These agents will be detailed to these areas to enhance enforcement operations being conducted under Arizona Border Control Initiative (ABCI).

Justification
Detailed agents will be assigned to camp details to raise manpower levels. The campsites are positioned within the desolate/high traffic areas for illegal alien crossings. These campsites are manned 24 hours a day, 7 days a week thereby creating enforcement presences in areas that would otherwise not be patrolled other than periodically.

Deployment of the detailed personnel will occur during the high traffic time period of the year, which is also historically the most dangerous time of the year for illegal aliens traveling through these areas due to high seasonal temperatures.

Sixty of the 110 detailed personnel will be special operations personnel. These personnel are trained to handle medical emergency situations, which will occur during the identified detail time period. These agents will perform search and rescue operations and administer medical assistance to those illegal aliens who fall into distress.

Additional detailed personnel will be deployed to transportation hubs within other sectors. These transportation hubs have been identified as being utilized by smugglers who operate in Arizona. These smugglers use the Arizona/Sonoran Border as an entry point into the United States and then, utilizing the routes of egress within Arizona, transport undocumented aliens to these hubs. Undocumented aliens are then transported from these hubs to various states within the United States.

The additional personnel will be utilized as a force multiplier to the manpower permanently assigned to Arizona and will be deployed to high traffic areas in Arizona and transportation hubs outside of Arizona to confront illicit cross border traffic utilizing the Arizona/Sonora Border to effect entry into the United States.

Although significant gains were made in the first two years of the ABCI effort, illegal cross-border traffic and smuggling organizations continue to operate along the Arizona/Sonora border. A significant permanent shift of illegal cross border traffic out of Arizona has not been identified. These Arizona criminal organizations use available Mexican and U.S. infrastructure (routes of egress, staging areas, and transportation hubs), such as Hermosillo, Sonora, Mexico, and Phoenix and Tucson, Arizona. This illegal cross border traffic negatively impacts the communities along the southern Arizona border and creates a chaotic environment. Social services, crime rates, migrant desert exposure deaths, smuggler-induced migrant deaths and availability of law enforcement are all negatively impacted by illegal cross border traffic in Arizona.

Within this chaotic environment the potential exists for terrorist to exploit the clutter produced by high levels of illicit border traffic. Terrorists could blend in with this clutter to effect entry into the United States. A sustained commitment of resources for ABCI is necessary to effect operational control of the Arizona Border. This measure directly impacts the safety and security of the United States.

Impact on Performance (Relationship of Increase to Strategic Goals)
Strategically placing additional personnel, camp details, infrastructure and technologies in high traffic areas raise the effectiveness of law enforcement operations. This creates a deterrent effect as the result of smuggling organizations inabilities to operate effectively in these areas. Smuggling organizations will not be willing to absorb the monetary loss to their operations and will cease to conduct operations in the area. The deployment of the additional personnel will lead to bringing the Arizona border to a controlled status.

The ABCI set out to accomplish the following operational goals:

- Achieve operational control of the Arizona Border in support of the primary mission of anti-terrorism, detection, arrest, and deterrence of all cross-border illicit trafficking.
- Significantly impair the ability of the smuggling organizations to operate.
- Decrease the rate of violent crime and reduce the need for social services in southern Arizona.

The $8.5 million dollars requested for fiscal year 2007 will allow for the deployment of 110 agents which will further decrease the illicit cross border traffic, mitigate desert deaths and bring the Arizona Border to a control status. FY 2007 ABCI activities will be conducted based on the lessons learned for FY 2004 and FY 2005, and threat assessment based on the latest intelligence.

Program Increase 6: Increased Border Patrol Presence between POEs

Strategic Goal(s) & Objective(s): 2.1 – Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws.

PPA: Security and Control between Ports of Entry

Program Increase: Positions 2006 FTE 1003 Dollars $399.8

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							13,783	13,783	2,021,075
Program Increase							2,006	1,003	399,791
Total Request	**12,255**	**11,955**	**1,671,387**	**13,573**	**12,944**	**1,778,499**	**15,789**	**14,786**	**2,420,866**

*Funding in FY 2005 was provided by Congress as part of the Emergency Supplemental P.L. 109-13.

Description of Item

Additional funding in the amount of $399.8 million is requested to hire, train, and equip 1,500 Border Patrol Agents and 506 operational/mission support personnel. The request will provide for upgrades of information technology system infrastructure in the Border Patrol sectors, cover required relocation expenses, and expand Border Patrol training operations. CBP is seeking an additional $59.1 million in Construction Appropriations for new or expanded facilities to accommodate significant increases in Border Patrol Agents and support staff.

Justification

Agents & Support ($316.8 million). To secure our borders, CBP recommends that Border Patrol Agent levels should continue to increase. As a result of the FY 2005 Emergency Supplemental and the FY 2006 Appropriations Act, CBP's Border Patrol will realize an increase of 1,500 agents by the end of FY 2006. This will put the total on-duty number of agents at approximately 12,300. An additional 1,500 agents in FY 2007 will allow CBP to make significant strides toward achieving operational control of the border. In addition, 506 new Border Patrol support personnel will allow agents, who are currently performing non-enforcement functions, to return to traditional enforcement activities.

Information Technology ($47.3 million). A significant increase in agent staffing requires sector information technology system upgrades in support of the new agents.

Relocation ($12.4 million). On average, CBP requires one supervisory position for every seven Border Patrol Agents. Additional funds will be required to cover relocation expenses since experienced supervisors may need to be moved from other locations.

Training ($23.3 million). Resources are required to expand the training capacity of the CBP Border Patrol Training Academy in Artesia, New Mexico to accommodate the increased number of Agents. This funding is needed to equip the CBP Border Patrol Academy with sufficient infrastructure, technology, and instructors. Of the funds requested, CBP plans to reimburse FLETC $4.7 million to cover additional costs associated with large increase in the number of trainees.

Impact on Performance (Relationship of Increase to Strategic Goals)

Anomalies within an area must be independently addressed and then integrated into the coordinated structure for the sector to ensure the unique enforcement needs of the sector are met. General characteristics of operational areas make some locations attractive as illegal border crossings. CBP can identify these characteristics and determine the likelihood that an area will be exploited to determine the appropriate level of resources required to secure the area. In addition, the higher the resolve of the people seeking to enter the U.S. illegally, the more agents needed to thwart their actions. As a result, the proper balance of personnel, technology, infrastructure, and rapid response capabilities must be tailored to the distinctive environments that exist in the sectors.

Ensuring a sufficiently mobile workforce, as well as testing, acquisition and deployment of sensing and monitoring platforms will be crucial to efficiently gain and maintain operational control of the borders. Operational control is defined in the National Border Patrol Strategy as the ability to detect, respond, and interdict border penetrations in areas deemed as high priority for threat potential or other national security objectives. Operational control may be limited to specific smuggling corridors or other geographically defined locations. All Border Patrol efforts are focused on this goal. Operational control is achieved when the proper combination of resources is deployed to ensure that illegal intrusions are deterred, detected and interdicted.

Prioritized deployment and development of the appropriate mix of workforce, technology, and infrastructure will ensure resources are used. Because the components are inter-dependent, every component is critical to the strategy's success. A system with the technological ability to predict, detect, identify, and survey illegal entries and criminal activity, but without the human capability for a rapid response or interdiction, cannot complete the enforcement mission. Conversely, enforcement personnel with inadequate intelligence, poor technological infrastructure to provide situational awareness, transportation, or equipment necessary to conduct enforcement activity are much less likely to be effective in today's dynamic border enforcement environment.

Program Increase 7: Secure Border Initiative Technology

Strategic Goal(s) & Objective(s): 2.3 – Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

PPA: Secure Border Initiative Technology

Program Increase: Positions 0 FTE 0 Dollars $100,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							---	---	31,559
Program Increase							---	---	100,000
Total Request	---	---	**84,667**	---	---	**30,971**	---	---	**131,559**

Description of Item

Funding in the amount of $100.0 million is requested in support of border technology deployment. Resources will be used for additional surveillance and detection technology between the ports of entry. This proposal also includes funding for tactical communications to support Agent operations where technology is deployed.

Justification

Today, vast areas of our border are unmonitored severely complicating CBP's effort to secure our border for anti-terrorism, illegal immigration counter-drug and other law enforcement purposes. Without electronic monitoring of our borders using advanced technology we cannot detect illegal border crossings and we cannot secure our borders.

DHS will provide an integrated technology, process, and systems framework to support operations at the borders and provide full situational awareness along our borders, between the ports of entry. The system will be designed to identify illegal border crossings so they can be effectively interdicted. It will provide the necessary situational awareness that comes from not only capturing and viewing surveillance data, but also

comprehensively analyzing that data with the appropriate targeting tools, modeling it and sharing it with those that need it, at the front lines and with necessary partners. With its ability to facilitate communications and information sharing, this system will help CBP build key bridges and connections with other interested agencies at the federal, state, local and tribal level.

DHS, through the SBI coordination office, will secure a technology integrator during FY 2006. The integrator will be charged with reviewing operational requirements in the variety of environments in which we operate, and identifying the type of technology that will give us the detection and identification/ classification solution. The $100.0 million required for FY 2007 will be applied to the following activities and milestones:

- Determine and deploy transformational technology to secure our nation's border.
- Initiate complete first Pilot project in Tucson Sector that will provide full detection capability, situational awareness, and support tactical and strategic decision making processes.
- Deploy mobile technology to bring operational capability up to "Monitored" in Tucson and El Paso Sectors. "Monitored" Capability is defined as high probability of detection, however, accessibility and apprehension are below optimal effectiveness based on validated baseline activity levels.
- Continue development and begin deployment of Common Operational Picture to provide situational awareness for tactical operations. Provide this capability to Agents in the field to reduce response time and provide situational awareness.
- Initiate deployment plans for all fixed technology (i.e., non-mobile assets) in Tucson, El Paso, and Yuma Sectors.
- Begin communication backbone upgrade to support high-speed data, voice, and video in Tucson Sector.
- Provide the capability to share detection capability within all DHS organizations.

Impact on Performance (Relationship of Increase to Strategic Goals)
Information collected and analyzed by technology will vastly improve the strategic placement of personnel and tactical infrastructure, which, combined with a clearly defined risk management approach, will enable CBP to quickly assess and effectively address threats facing the border. CBP's goal is to achieve operational control of the border, and the ability to link technology, information, and process improvements together will provide us the key means to do this swiftly and measurably.

Technology will identify all illegal borer crossings, using advanced technologies, so they can be interdicted:

- Prevent or thwart terrorists' activities before they can be carried out.
- Minimize the impact of terrorist activities by preventing them from being fully carried out.

- Assist in the response of terrorist attacks and all other hazards by providing surveillance and improved detection technology between ports of entry.
- Provide more effective use of agent resources through increased use of detection technology and improved communications.
- Pose a physical deterrence to potential terrorists and other aliens of criminal intent to protect Federal Government operations.

Technology will assist in strengthening national security at the borders and will provide the capability for on-scene agents to receive and respond to real-time intelligence information to:

- Prevent the incidences of intrusion by illegal alien, smugglers, and drug traffickers and their contraband across the U.S. borders with the assistance of technology.
- Improve agent and alien safety.
- Provide the ability for local Border Patrol Sectors to perform trend analyses.
- Provide more effective use of agent resources.
- Provide deterrence of illegal immigration between Ports of Entry by increasing the CBP's capability to detect and apprehend unlawful intruders.
- Reduce false and nuisance alarms, and
- Pose as a physical deterrence to potential contraband traffickers.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Customs & Border Protection
Justification of Proposed Changes in Salaries and Expenses
Appropriation Language

For necessary expenses for enforcement of laws relating to border security, immigration, customs, and agricultural inspections and regulatory activities related to plant and animal imports; [acquisition, lease, maintenance and operation of aircraft;] purchase and lease of up to 4,500 ([3,935] ***3,500*** for replacement only) police-type vehicles; and contracting with individuals for personal services abroad; [$4,826,323,000] ***$5,519,022,000***; of which $3,000,000 shall be derived from the Harbor Maintenance Trust Fund for administrative expenses related to the collection of the Harbor Maintenance Fee pursuant to section 9505(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 9505(c)(3)) and notwithstanding section 1511(e)(1) of the Homeland Security Act of 2002 (6 U.S.C. 551(e)(1)); of which not to exceed $45,000 shall be for official reception and representation expenses; of which not less than [$163,560,000] ***$159,876,000*** shall be for Air and Marine Operations; of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(f)(3)), shall be derived from that account; of which not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations; of which not to exceed $1,000,000 shall be for awards of compensation to informants, to be accounted for solely under the certificate of the Secretary of Homeland Security: *Provided,* That for fiscal year [2006] ***2007***, the overtime limitation prescribed in section 5(c)(1) of the Act of February 13, 1911 (19 U.S.C. 267(c)(1)) shall be $35,000; and notwithstanding any other provision of law, none of the funds appropriated in this Act may be available to compensate any employee of United States Customs and Border Protection for overtime, from whatever source, in an amount that exceeds such limitation, except in individual cases determined by the Secretary of Homeland Security, or the designee of the Secretary, to be necessary for national security purposes, to prevent excessive costs, or in cases of immigration emergencies[: *Provided further,* That of the total amount provided, $10,000,000 may not be obligated until the Secretary submits to the Committees on Appropriations of the Senate and the House of Representatives all required reports related to air and marine operations: *Provided further,* That no funds shall be available for the site acquisition, design, or construction of any Border Patrol checkpoint in the Tucson sector: *Provided further,* That the Border Patrol shall relocate its checkpoints in the Tucson sector at least once every seven days in a manner designed to prevent persons subject to inspection from predicting the location of any such checkpoint].

Explanation of Changes:

Aviation Assets - Eliminates language pertaining to the acquisition, lease, maintenance and operation of aircraft. In FY 2006, Border Patrol air assets were transferred to Air and Marine Interdiction, Operations, Maintenance and Procurement.

Vehicles - Language is modified to allow for the purchase and lease of up to 1,000 new vehicles to accommodate the additional 1,500 Border Patrol Agents requested in FY 2007.

Congressional Reports - Eliminates language which withholds funds until required reports related to air and marine operations are provided to the Committees on Appropriations. Reports have been submitted to Congress.

Border Patrol Checkpoints - Language prohibiting the obligation of funds to construct Border Patrol checkpoints in the CBP's Tucson sector is proposed for deletion. CBP's report to Congress on the proposed establishment of permanent checkpoints included the location, estimated design costs, and benefits of each proposed Tucson sector permanent checkpoint.

Language directing CBP to relocate its tactical checkpoints in the Tucson sector at least every 7 days is proposed for deletion. The report to Congress on the establishment of permanent checkpoints in the Tucson sector identified the benefits derived from CBP Border Patrol checkpoints that create a strong deterrent to illegal cross border crime in the targeted corridor while operational. Predictable or routine closures, as currently mandated by Congress in the Tucson sector, can reduce checkpoint effectiveness and create unwarranted vulnerabilities. The current language effectively creates enforcement vacuum--specifically in southern Arizona--that directly affects the efficiency of the overall enforcement effort along the southwest border.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**32,777**	**32,352**	**$4,519,534**
2006 Revised Enacted	**34,310**	**33,675**	**4,802,190**
Adjustments-to-Base			
Transfers to and from other accounts:			
Transfer to USCG	---	---	(5,000)
Total Transfers	---	---	(5,000)
Increases			
Annualization of prior year funding	---	635	151,856
2007 pay increase	---	---	59,888
Non-pay inflation	---	---	29,944
Total Increases	---	635	241,688
Decreases			
Termination of one-time costs	---	---	(56,947)
Total Decreases	---	---	(56,947)
Total Adjustments-to-Base	---	635	179,741
2007 Current Services	**34,310**	**34,310**	**4,981,931**
Program Changes			
Program Increases			
National Targeting Center	60	30	6,800
Weapons of Mass Destruction Staffing	106	53	12,000
Immigration Advisory Program/Fraudulent Document Analysis Unit	42	21	6,000
Internal Audit/Procurement Staffing	60	30	4,000
Arizona Border Control Initiative	---	---	8,500
Increased Border Patrol Presence Between the POEs	2,006	1,003	399,791
Border Technology	---	---	100,000
Total Program Changes	**2,274**	**1,137**	**537,091**
2007 Request	**36,584**	**35,447**	**5,519,022**
2006 to 2007 Total Change	**2,274**	**1,772**	**716,832**

C: Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	32,777	32,352	$4,519,534
2006 Revised Enacted	34,310	33,675	4,802,190
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	15,000
Increases	---	635	241,059
Decreases	---	---	-156,947
Total Adjustments-to-Base	---	635	179,741
2007 Current Services	34,310	34,310	4,981,931
Program Changes "See FY 2006 to FY 2007 Budget Change" for details)	2,274	1,137	537,091
2007 Total Request	36,584	35,447	5,519,022
2006 to 2007 Total Change	2,274	1,772	716,832

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount	Pos.	FTE	Amount	Pos	FTE	Amount
Headquarters Management and Administration	3,494	3,494	$1,256,650	---	---	($2,261)	60	30	$4,000	3,554	3,524	$1,258,389	60	30	$1,739
Border Security Inspections and Trade Facilitation at POE's	16,023	16,017	1,605,117	---	6	49,975	208	104	24,800	16,231	16,127	1,679,892	208	110	74,775
Inspections, Trade & Travel Facilitation at POEs	15,372	15,372	1,249,948	---	---	20,455	42	21	6,000	15,414	15,393	1,282,103	42	21	32,455
Harbor Maintenance Fee Collection	---	---	3,000	---	---	26	---	---	---	---	---	3,026	---	---	26
Container Security Initiative (CSI)	135	149	137,402	---	6	1,910	---	---	---	155	155	139,312	---	6	1,910
Other International Programs	100	100	8,243	---	---	158	---	---	---	100	100	8,401	---	---	158
C-TPAT/FAST/NEXUS/SENTRI*	263	263	74,515	---	---	1,394	---	---	---	263	263	75,909	---	---	1,394
Inspection and Detection Technology	71	71	62,396	---	---	19,923	106	53	12,000	177	124	94,319	106	53	31,923
Systems for Targeting	8	8	27,930	---	---	(672)	---	---	---	8	8	27,258	---	---	(672)
National Targeting Center	54	54	16,530	---	---	305	60	30	6,800	114	84	23,635	60	30	7,105
Other Technologies	---	---	1,008	---	---	19	---	---	---	---	---	1,027	---	---	19
Training at the Ports of Entry	---	---	24,107	---	---	457	---	---	---	---	---	24,564	---	---	457
Border Security and Control between POE's	13,573	12,944	1,778,499	---	629	134,076	2,008	1,003	408,291	15,579	14,576	2,420,866	2,008	1,632	642,367
Border Security and Control between POE's	13,573	12,944	1,725,547	---	629	133,072	2,008	1,003	385,000	15,579	14,576	2,243,619	2,008	1,632	518,072
Air Program Operations and Maintenance	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Border Technology	---	---	30,971	---	---	588	---	---	100,000	---	---	131,559	---	---	100,588
Training Between the Ports of Entry	---	---	21,981	---	---	416	---	---	23,291	---	---	45,688	---	---	23,707
Air and Marine Operations Salaries	1,230	1,230	161,924	---	---	(2,048)	---	---	---	1,220	1,220	159,876	---	---	(2,048)
Total	34,310	33,675	$4,802,190	---	635	$179,741	2,274	1,137	$537,091	36,584	35,447	$5,519,022	2,274	1,772	$716,832

* Funding for NEXUS/SENTRI in FY 2006 was reflected as "Importers, Trade & Travel Facilitation at POEs" PPA

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Revised Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
AEP	---	---	$195	---	---	$195	---	---	$195	---	---	---
BLM	---	---	10	---	---	10	---	---	10	---	---	---
CIS	---	---	9,610	---	---	9,610	---	---	9,610	---	---	---
Coast Guard (75 Agrs, 1 Lt. & BN)	---	---	955	---	---	955	---	---	955	---	---	---
Defense Technical Security Assist	---	---	310	---	---	310	---	---	310	---	---	---
DEA	---	---	3,761	---	---	3,761	---	---	3,761	---	---	---
DHS - Secret Svc	---	---	81	---	---	81	---	---	81	---	---	---
DHS (CBP) DHS (USDA, BSA, FDA	---	---	282	---	---	282	---	---	282	---	---	---
DOD	---	---	2,600	---	---	2,600	---	---	2,600	---	---	---
DOI	---	---	1,870	---	---	1,870	---	---	1,870	---	---	---
DOS	---	---	82,150	---	---	82,223	---	---	86,223	---	---	---
DOT	---	---	37,700	---	---	77,141	---	---	76,141	---	---	---
FAA	---	---	525	---	---	525	---	---	525	---	---	---
GSA	---	---	41,939	---	---	42,124	---	---	42,124	---	---	---
ITC	---	---	7	---	---	7	---	---	7	---	---	---
NFPA	---	---	25	---	---	25	---	---	25	---	---	---
Treasury	---	---	2,688	---	---	2,688	---	---	2,688	---	---	---
USA	---	---	1,183	---	---	1,183	---	---	1,183	---	---	---
US VISIT	---	---	91,000	---	---	91,000	---	---	91,000	---	---	---
USMS	---	---	2,000	---	---	2,000	---	---	2,000	---	---	---
USDA	---	---	1,010	---	---	1,010	---	---	1,010	---	---	---
Total Budgetary Resources	---	---	292,219	---	---	328,941	---	---	325,941	---	---	---
National Drug Intelligence Center	---	---	---	---	---	---	---	---	---	---	---	---

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Consolidated Omnibus Budget Reconciliation Act	1,412	1,412	$324,865	1,412	1,412	$347,151	1,412	1,412	$347,151	---	---	$22,283
Land Border Inspection Fee	292	292	25,216	292	292	29,318	292	292	29,318	---	---	4,102
Immigration User Fee	4,058	4,058	478,957	4,058	4,058	503,117	4,058	4,058	529,280	---	---	26,163
Immigration Enforcement Fines	66	66	1,360	66	66	1,446	66	66	1,532	---	---	86
APHIS	1,722	1,722	208,000	1,722	1,722	211,167	1,722	1,722	214,267	---	---	3,167
Subtotal, Mandatory Fees	7,550	7,550	1,038,498	7,550	7,550	1,092,199	7,550	7,550	1,121,548	---	---	55,801
* Small Airplane and Passenger fees do not reimburse the SBF by law.												
** FY 2005 and FY 2007 figures are to MAX. The MAX requirement fees do not include the no year accruals												

Obligations by Program/Project Activity	2005 Actual			2006 Revised Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Headquarters Management and Administration	---	---	$100,197	---	---	---	---	---	---	---	---	---
Inspections, Trade & Travel Facilitation at POEs	---	---	32,190	---	---	---	---	---	---	---	---	---
Salaries and Expenses	---	---	---	---	---	328,941	---	---	325,941	---	---	---
Total Direct Obligations	---	---	$132,387	---	---	328,941	---	---	325,941	---	---	---
Consolidated Omnibus Budget Reconciliation Act	1,412	1,412	$324,865	1,412	1,412	$347,151	1,412	1,412	$347,151	---	---	$22,283
Land Border Inspection Fee	32	32	25,216	292	292	29,318	292	292	29,318	---	---	4,102
Immigration User Fee	4,058	4,058	478,957	4,058	4,058	503,117	4,058	4,058	529,280	---	---	26,163
Immigration Enforcement Fines	66	66	1,360	66	66	1,446	66	66	1,532	---	---	86
APHIS	1,722	1,722	208,000	1,722	1,722	211,167	1,722	1,722	214,267	---	---	3,167
Subtotal, Mandatory Fees	7,550	7,550	1,038,498	7,550	7,550	1,092,199	7,550	7,550	1,121,548	---	---	55,801

** 2005 actuals not available by source. These numbers are taken from OMB submission

Explanation of Increase/Decrease.
Consolidated Omnibus Budget Reconciliation Act increased by $22,283,000 due to increase in projected receipt level.
Land Border Inspection Fee increased by $4,102,000 due to increase in projected receipt level.
Immigration User Fee increased by $26,163,000 due to increase in projected receipt level.
Immigration Enforcement Fines increased by $86,000 due to increase in projected receipt level.
APHIS increased by $3,167,000 due to increase in projected receipt level.

25756A

E: Summary of Requirements by Object Class

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Total FTE & personnel compensation	1,877,147	2,019,905	2,228,852	208,947
11.3	Other than full-time permanent	16,402	16,912	27,993	11,081
11.5	Other Personnel Compensation	351,530	407,162	430,147	22,985
12.1	Benefits	819,459	802,648	944,063	141,415
12.4	Uniform Allowance	---	70,101	70,101	-
12.6	Relocation	---	23,975	23,975	-
13.0	Benefits - former	565	643	656	13
	Total, Personnel Comp. & Benefits	**3,065,103**	**3,341,346**	**3,725,787**	**384,441**
Other Object Classes:					
21.0	Travel	96,071	106,589	131,224	24,635
22.0	Transportation of things	7,992	7,998	10,695	2,697
23.1	GSA rent	212,597	221,593	238,136	16,543
23.2	Other rent	16,753	19,501	36,036	16,535
23.3	Communications, utilities, & other misc. charges	82,690	90,816	96,806	5,990
24.0	Printing and reproduction	6,998	7,844	8,602	758
25.0	Other Contractual Services	565,101	659,333	790,766	131,433
26.0	Supplies and materials	102,888	106,509	64,670	(41,839)
31.0	Equipment	410,504	237,775	322,281	84,506
32.0	Land & structures	252	194	87,076	86,882
42.0	Indemnity	2,085	2,550	6,795	4,245
44.0	Refunds	12,080	---	---	-
91.0	Unvouchered	133	142	148	6
	Total, Other Object Classes	**1,516,144**	**1,460,844**	**1,793,235**	**332,391**
	Total, Direct Obligations	**4,581,247**	**4,802,190**	**5,519,022**	**716,832**
	Recoveries of prior year obligations	(4,313)	---	---	-
	Unobligated balance transferred	(86,752)	---	---	-
	Rescission	139,010	---	---	-
	Supplemental	(124,425)	---	---	-
	Unobligated balance, expiring	8,805	---	---	-
	Unobligated balance, start of year	(342,142)	---	---	-
	Transfers to CBP	1,281	---	---	-
	Unobligated balance, end of year	346,823	---	---	-
	Recoveries of prior year obligations	---	---	---	-
	Total requirements	**4,519,534**	**4,802,190**	**5,519,022**	**716,832**

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	65	65	65	---
Total, EX	1	1	1	---
GS-15	451	451	451	---
GS-14	1,496	1,491	1,491	---
GS-13	3,265	3,263	3,263	---
GS-12	4,956	4,968	5,116	148
GS-11	19,728	20,156	21,782	1,626
GS-10	39	39	39	---
GS-9	4,621	5,721	6,221	500
GS-8	280	280	280	---
GS-7	3,224	3,224	3,224	---
GS-6	438	438	438	---
GS-5	972	972	972	---
GS-4	241	241	241	---
GS-3	81	81	81	---
GS-2	26	26	26	---
Other Graded Positions	2	2	2	---
Ungraded Positions	442	442	442	---
Fee Funded Positions Except Puerto Rico and Small Airports*	(7,550)	(7,550)	(7,550)	---
Total Permanent Positions	**32,777**	**34,310**	**36,584**	**2,274**
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	32,777	34,310	36,584	2,274
FTE	**32,352**	**33,675**	**35,447**	**1,772**
Headquarters	2,140	2,561	3,127	566
U.S. Field	29,547	30,549	32,245	1,696
Foreign Field	1,090	1,200	1,212	12
Total Permanent Positions	**32,777**	**34,310**	**36,584**	**2,274**
Average ES Salary	$ 138,576	$ 144,119	$ 149,884	$ 5,765
Average GS Salary	$ 57,895	$ 59,690	$ 61,122	$ 1,433
Average GS Grade	10.85	10.55	10.55	0.01

G. Capital Investment and Construction Initiative Listing

Not Applicable

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Headquarters Management and Administration
Funding Schedule

(Dollars in Thousands)

PPA: Headquarters Management and Administration		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	221,236	249,997	257,061	7,064
11.3	Other than perm	3,721	4,205	4,277	72
11.5	Other per comp	11,300	12,769	12,839	70
12.1	Benefits	111,921	64,626	67,246	2,620
12.4	Uniform Allowance	259	62,137	62,137	---
12.6	Relocation	13,004	14,695	14,695	---
13.0	Benefits-former	500	565	578	13
21.0	Travel	22,074	24,944	25,544	600
22.0	Transportation of things	3,804	4,300	4,319	19
23.1	GSA rent	184,181	208,125	210,496	2,371
23.2	Other rent	3,673	4,152	6,904	2,752
23.3	Communication, Utilities and misc charges	38,061	43,009	43,344	335
24.0	Printing	5,960	6,735	7,145	410
25.0	Other Contractual Services	347,862	393,086	399,683	6,597
26.0	Supplies & materials	25,294	29,806	29,789	(17)
31.0	Equipment	95,638	130,753	109,463	(21,290)
32.0	Land & Structures	172	194	199	5
42.0	Indemnity	2,085	2,550	2,664	114
91.0	Unvouchered	---	---	5	5
Total, Headquarters Management and Administration		**$1,090,745**	**1,256,650**	**1,258,389**	**$1,739**
Full Time Equivalents		3,494	3,494	3,524	30

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Headquarters Management and Administration

Headquarters Management and Administrative provides critical policy and operational direction, mission support, including equipment, training, and technical expertise to CBP front-line personnel. This program is essential in carrying out CBP's dual mission of protecting our homeland while facilitating legitimate trade and travel.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$361,941**	**$408,994**	**$418,833**	**$9,839**

Salaries and Benefits includes costs for 3,524 FTEs. The FY 2007 request includes an increase of $8,259,000 for the proposed FY 2007 increase in personnel compensation, $1,580,000 in program increases associated with Procurement Staffing.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$22,074**	**$24,944**	**$25,544**	**$600**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $562,000 in non-pay inflation, $38,000 in program increases associated with Procurement Staffing.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$3,804**	**$4,300**	**$4,319**	**$19**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $19,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$184,181**	**$208,125**	**$210,496**	**$2,371**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $2,371,000 in non-pay inflation

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$3,673**	**$4,152**	**$6,904**	**$2,752**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $2,464,000 in non-pay inflation and $288,000 in program increases associated with Procurement Staffing.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$38,061**	**$43,009**	**$43,344**	**$335**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $335,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$5,960	$6,735	$7,145	$410

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $407,000 in non-pay inflation and $3,000 in program increases associated with Procurement Staffing.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	$347,862	$393,086	$399,683	$6,597

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $6,290,000 in non-pay inflation, $1,509,000 in program increases associated with Procurement Staffing and Internal Control. There is also a decrease of $1,203,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$25,294	$29,806	$29,789	($17)

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $1,195,000 in non-pay inflation, $12,000 in program increases associated with Procurement Staffing. There is also a decrease of $1,224,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$95,638	$130,753	$109,463	($21,290)

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $1,015,000 in non-pay inflation, $571,000 in program increases associated with Procurement Staffing. There is also a decrease of $22,876,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	$172	$194	$199	$5

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes increases of $5,000 in non-pay inflation .

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$2,085**	**$2,550**	**$2,664**	**$114**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $114,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$0**	**$0**	**$5**	**$5**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $5,000 in non-pay inflation.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Inspections, Trade & Travel Facilitation at POEs
Funding Schedule

(Dollars in Thousands)

	PPA: Inspections, Trade & Travel Facilitation at POEs	2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	816,774	818,148	834,511	$16,363
11.3	Other than perm	10,029	10,047	10,256	$209
11.5	Other per comp	40,641	40,708	41,717	$1,009
12.1	Benefits	266,962	267,389	272,461	$5,072
12.4	Uniform Allowance	5,219	5,228	5,228	---
12.6	Relocation	4,168	4,175	4,175	---
21.0	Travel	8,948	8,963	9,405	442
22.0	Transportation of things	1,508	1,511	1,523	12
23.1	GSA rent	5,976	5,987	6,217	230
23.2	Other rent	1,207	1,209	1,345	136
23.3	Communication, Utilities and misc charges	19,467	19,501	19,999	498
24.0	Printing	---	---	4	4
25.0	Other Contractual Services	40,644	40,722	47,270	6,548
26.0	Supplies & materials	13,851	13,874	14,213	339
31.0	Equipment	12,166	12,186	13,777	1,591
91.0	Unvouchered	---	---	1	1
	Total, Inspections, Trade & Travel Facilitation at PC	**$1,247,560**	**$1,249,648**	**$1,282,102**	**$32,454**
Full Time Equivalents		15,379	15,372	15,393	21

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Inspections, Trade & Travel Facilitation at POEs

The purpose of Inspections, Trade and Travel Facilitation at POEs is to facilitate the flow of legitimate travel and trade across U.S. borders, while ensuring that threats to the United States are not allowed entry, using technology, intelligence and risk information, targeting and international cooperation in the screening of entering international cargo and travelers and departing export cargo. This program reduces the potential of terrorists instruments of terror and contraband from entering our country while facilitating the legal flow of people and trade by deploying inspectors and import specialists to the ports of entry. The goal of this program is to improve compliance with trade regulations and other mandatory import/export guidance while increasing the security of the United States.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,143,793**	**$1,145,695**	**$1,168,348**	**$22,653**

Salaries and Benefits includes costs for 15,393 FTEs. The FY 2007 request includes an increase of $20,978,000 for the proposed FY 2007 increase in personnel compensation, $1,675,000 in program increases associated with the Immigration Advisory Program

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$8,948**	**$8,963**	**$9,405**	**$442**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $177,000 in non-pay inflation, $265,000 in program increases associated with the Immigration Advisory Program

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$1,508**	**$1,511**	**$1,523**	**$12**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $12,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$5,976**	**$5,987**	**$6,217**	**$230**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $9,000 in non-pay inflation and $221,000 in program increases associated with the Immigration Advisory Program

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$1,207**	**$1,209**	**$1,345**	**$136**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $31,000 in non-pay inflation, and $105,000 in program increases associated with the Immigration Advisory Program

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$19,467**	**$19,501**	**$19,999**	**$498**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $423,000 in non-pay inflation and $75,000 in program increases associated with the Immigration Advisory Program

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$0	$0	$4	$4

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $4,000 in program increases associated with the Immigration Advisory Program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	$40,644	$40,722	$47,270	$6,548

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $3,658,000 in annualization. The FY 2007 request includes increases of $621,000 in non-pay inflation, $2,269,000 in program increases associated with the Immigration Advisory Program

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$13,851	$13,874	$14,213	$339

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $190,000 in non-pay inflation, $149,000 in program increases associated with the Immigration Advisory Program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$12,166	$12,186	$13,777	$1,591

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $300,000 in non-pay inflation, $1,291,000 in program increases associated with the Immigration Advisory Program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	$0	$0	$1	$1

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. FY 2007 request includes an increase of $1,000 in program increases associated with the Immigration Advisory Program.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Harbor Maintenance Fee Collection
Funding Schedule

(Dollars in Thousands)

PPA: Harbor Maintenance Fee Collection		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	2,200	2,200	2,200	---
11.3	Other than perm	30	30	30	---
12.1	Benefits	550	550	550	---
21.0	Travel	30	30	30	---
23.3	Communication, Utilities and misc charges	5	5	5	---
25.0	Other Contractual Services	150	150	163	13
26.0	Supplies & materials	30	30	30	---
31.0	Equipment	5	5	18	13
	Total, Harbor Maintenance Fee Collection	**$3,000**	**$3,000**	**$3,026**	**$26**
Full Time Equivalents		---	---	---	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Harbor Maintenance Fee Collection

The Harbor Maintenance Fee is an Army Corps of Engineers (COE) fee which is collected for the operation and maintenance, as well as improvements, of U.S. channels and harbors. CBP is reimbursed for a portion of the costs associated with the collection of the fee for the COE.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$2,780**	**$2,780**	**$2,780**	**$0**

Salaries and Benefits includes costs associated with Object Classes 11 and 12.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$30**	**$30**	**$30**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charg	**$5**	**$5**	**$5**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$150**	**$150**	**$163**	**$13**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $13,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$30**	**$30**	**$30**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$5**	**$5**	**$18**	**$13**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $13,000 in non-pay inflation.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Container Security Initiative
Funding Schedule
(Dollars in Thousands)

PPA: Container Security Initiative		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	17,729	19,654	20,305	$651
11.3	Other than perm	55	60	60	---
11.5	Other per comp	442	490	490	---
12.1	Benefits	5,392	5,978	6,374	396
12.4	Uniform Allowance	1,747	1,936	1,936	---
12.6	Relocation	1,447	1,604	1,604	---
21.0	Travel	18,286	20,270	19,275	(995)
22.0	Transportation of things	1,184	1,313	1,303	(10)
23.3	Communication, Utilities and misc charges	6,845	7,588	7,808	220
24.0	Printing	1,000	1,109	1,109	---
25.0	Other Contractual Services	45,679	50,639	52,578	1,939
26.0	Supplies & materials	1,748	1,937	1,951	14
31.0	Equipment	22,344	24,770	24,464	(306)
91.0	Unvouchered	49	54	55	1
Total, Container Security Initiative		**$123,947**	**$137,402**	**$139,312**	**$1,910**
Full Time Equivalents		94	149	155	6

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Container Security Initiative

The mission of CSI is to enhance the security of containerized shipping from exploitation by terrorists. CSI's goal is three-fold: (1) to expand operations to new critical international seaports; (2) to secure and improve operations at existing ports; and (3) to encourage global efforts to enhance container security through capacity building.

Working with foreign administrations, CSI is a four-part program designed to achieve a more secure maritime trade environment while ensuring the need for efficiency in global commerce. The four core elements of the program are: (1) establishing security criteria to identify high-risk containers; (2) pre-screening those containers identified as high-risk prior to arrival at U.S. ports; (3) using technology to quickly pre-screen high-risk containers; and (4) developing and using smart and secure containers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$26,812**	**$29,722**	**$30,769**	**$1,047**

Salaries and Benefits includes costs for 155 FTEs. The FY 2007 request includes an increase of $962,000 for the proposed FY 2007 increase in personnel compensation. There is also a increase of $85,000 for recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$18,286**	**$20,270**	**$19,275**	**($995)**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $304,000 in non-pay inflation. There is also a decrease of $1,299,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$1,184**	**$1,313**	**$1,303**	**($10)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $55,000 in non-pay inflation. There is also a decrease of $65,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$6,845**	**$7,588**	**$7,808**	**$220**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $219,000 in non-pay inflation, and $1,000 in annualization.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$1,000**	**$1,109**	**$1,109**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$45,679**	**$50,639**	**$52,578**	**1,939**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $695,000 in non-pay inflation and $1,244,000 in annualization.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$1,748	1,937	$1,951	$14

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $11,000 in non-pay inflation and $3,000 in annualization.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$22,344	$24,770	$24,464	($306)

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $319,000 in non-pay inflation. There is also a decrease of $625,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	$49	$54	$55	$1

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Other International Programs
Funding Schedule
(Dollars in Thousands)

	PPA: Other International Programs	2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	5,289	4,675	4,748	$73
11.3	Other than perm	31	28	30	2
11.5	Other per comp	70	62	68	6
12.1	Benefits	1,316	1,162	1,192	30
12.6	Relocation	214	189	189	---
21.0	Travel	632	558	578	20
22.0	Transportation of things	24	22	23	1
23.3	Communication, Utilities and misc charges	55	49	52	3
25.0	Other Contractual Services	1,506	1,331	1,348	17
26.0	Supplies & materials	169	149	150	1
31.0	Equipment	360	318	323	5
	Total, Other International Programs	**$9,666**	**$8,543**	**$8,701**	**$158**
Full Time Equivalents		100	100	100	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Other International Programs

The goal of Other International Programs is to develop and implement a framework of standards to secure and facilitate global trade that is based upon principles designed and implemented by Customs and Border Protection to be implemented by the 164 World Customs Organization members. This program's efforts foster and facilitate legitimate international trade, increase compliance, build alliances to combat transnational crime, reduce corruption, strengthen border controls, promote the rule of law and enhance economic stability throughout the world. This is all accomplished through the development and maintenance of collaborative relations with foreign governments, the development of international strategies, representing CBP positions in various international forums, delivering international technical assistance and training, and negotiating or supporting the negotiation of international agreements.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$6,920**	**$6,116**	**$6,227**	**$111**

Salaries and Benefits includes costs for 100 FTEs. The FY 2007 request includes an increase of $111,000 for the proposed FY 2007 increase in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$632**	**$558**	**$578**	**$20**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $20,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$24**	**$22**	**$23**	**$1**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charg	**$55**	**$49**	**$52**	**$3**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $3,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$1,506**	**$1,331**	**$1,348**	**$17**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $17,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$169**	**$149**	**$150**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$360**	**$318**	**$323**	**$5**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $5,000 in non-pay inflation.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
C-TPAT/FAST/NEXUS/SENTRI
Funding Schedule

(Dollars in Thousands)

PPA: C-TPAT/FAST/NEXUS/SENTRI		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	14,805	32,540	32,871	$331
11.3	Other than perm	8	18	18	---
11.5	Other per comp	712	1,566	1,566	---
12.1	Benefits	1,567	3,444	3,589	$145
12.6	Relocation	293	644	644	---
21.0	Travel	2,725	5,990	6,328	338
22.0	Transportation of things	142	312	314	2
23.1	GSA rent	2,105	4,626	4,637	11
23.3	Communication, Utilities and misc charges	35	77	86	9
25.0	Other Contractual Services	7,088	15,579	16,060	481
26.0	Supplies & materials	503	1,105	1,132	27
31.0	Equipment	3,919	8,614	8,664	50
Total, C-TPAT/FAST/NEXUS/SENTRI		**33,902**	**$74,515**	**$75,909**	**$1,394**
Full Time Equivalents		203	263	263	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

C-TPAT/FAST/NEXUS/SENTRI

The Customs-Trade Partnership Against Terrorism (C-TPAT) is a partnership between the Federal government and industry. It is an effort that CBP has undertaken with the business community to secure the supply chain. The goal of C-TPAT is to develop and maintain a secure supply chain, from factory floor to port of entry, which enables CBP to facilitate trade and ensure safe and secure borders. C-TPAT is designed to use and enhance the security processes and procedures currently employed by the trade community and ensure that international shipments are not compromised nor diverted by terrorists or their accomplices.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
	$17,385	$38,212	$38,688	$476

Salaries and Benefits includes costs for 263 FTEs. The FY 2007 request includes an increase of $476,000 for the proposed FY 2007 increase in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$2,725	$5,990	$6,328	$338

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $338,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$142	$312	$314	$2

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $2,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$2,105	$4,626	$4,637	$11

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $11,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$35	$77	$86	$9

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $9,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	$7,088	$15,579	$16,060	$481

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $481,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$503**	**$1,105**	**$1,132**	**$27**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $27,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$3,919**	**$8,614**	**$8,664**	**$50**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $50,000 in non-pay inflation.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Inspection and Detection Technology

Funding Schedule

(Dollars in Thousands)

PPA: Inspection and Detection Technology		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	15,958	14,959	18,200	$3,241
11.5	Other per comp	---	---	118	118
12.1	Benefits	5,266	4,936	6,168	1,232
21.0	Travel	431	405	762	357
23.1	GSA rent	1,937	1,816	2,382	566
23.3	Communication, Utilities and misc charges	200	187	376	189
24.0	Printing	---	---	8	8
25.0	Other Contractual Services	34,313	32,165	54,748	22,583
26.0	Supplies & materials	40	38	554	516
31.0	Equipment	68,615	7,888	11,001	3,113
	Total, Inspection and Detection Technology	**$126,760**	**$62,394**	**94,317**	**$31,924**
Full Time Equivalents		71	71	124	53

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Inspection and Detection Technology

As trade increases, CBP's reliance on Non-Intrusive Inspection (NII) technology to secure the borders becomes more and more critical. In conjunction with CBP's many other initiatives (C-TPAT, ATS, NTC, CSI, etc.), NII allows us to work "smarter". An adversary can defeat any single sensor or device, and therefore, CBP does not rely on any single technology or inspection process. Instead, CBP uses various technologies in different combinations to substantially increase the likelihood that a nuclear or radiological weapon or weapons grade material will be detected. In addition, CBP uses NII technology to detect and interdict narcotics, currency and other contraband secreted in large containers and commercial shipments.

NII technology has been the cornerstone of CBP's multi-layered strategy. Technologies deployed to our nation's land, sea and airports of entry include large-scale X-ray and gamma-imaging systems, as well as a variety of portable and handheld technologies, to include our recent focus on radiation detection technology. NII technologies are viewed as force multipliers that enable us to screen or examine a larger portion of the stream of commercial traffic while facilitating the flow of legitimate trade, cargo and passengers.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$21,224**	**$19,895**	**24,486**	**$4,591**

Salaries and Benefits includes costs for 124 FTEs. The FY 2007 request includes an increase of $279,000 for the proposed FY 2007 increase in personnel compensation, and $4,312,000 in program increases for additional CBP Officers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$431**	**$405**	**$762**	**$357**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $99,000 in non-pay inflation, and $258,000 in program increases for additional CBP Officers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$1,937**	**$1,816**	**$2,382**	**$566**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $1,000 in non-pay inflation and $565,000 in program increases for additional CBP Officers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous cha	**$200**	**$187**	**$376**	**$189**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $1,000 in non-pay inflation, and $188,000 in program increases for additional CBP Officers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$0**	**$8**	**$8**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes an increase of $8,000 in program increases for additional CBP Officers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$34,313**	**$32,165**	**$54,748**	**$22,583**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $537,000 in non-pay inflation, $18,750,000 in annualization, and $3,296,000 in program increases for additional CBP Officers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$40**	**$38**	**$554**	**$516**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $182,000 in non-pay inflation, and $334,000 in program increases for additional CBP Officers.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$68,615**	**$7,888**	**$11,001**	**$3,113**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $74,000 in non-pay inflation, and $3,039,000 in program increases for additional CBP Officers.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Systems for Targeting
Funding Schedule
(Dollars in Thousands)

PPA: Systems for Targeting		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	313	329	374	$45
12.1	Benefits	---	---	21	21
21.0	Travel	63	66	(32)	(98)
23.3	Communication, Utilities and misc charges	16	17	17	---
25.0	Other Contractual Services	22,124	23,218	22,877	(341)
26.0	Supplies & materials	58	61	62	1
31.0	Equipment	4,078	4,279	3,979	(300)
	Total, Systems for Targeting	**$26,652**	**$27,970**	**$27,298**	**($672)**
Full Time Equivalents		7	8	8	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Systems for Targeting

At the core of CBP's ability to achieve its critical border security objectives and maintain the flow of lawful commerce is CBP's ability to identify high-risk travelers and goods for inspection while allowing the vast majority of law abiding travelers and commerce to continue to their destination without unnecessary delay. Recent legislation and regulatory action, such as the Trade Act of 2002 and the 24-hour rule, respectively, have made it mandatory to provide advance information about passengers and goods arriving in the U.S. CBP uses computer technology and rule-based software to analyze the data provided on passengers and shipments arriving in the U.S. CBP applies its targeting methods against the data to determine which passengers or shipments need to be segregated for a closer look and possibly inspection.

The main platform CBP uses to analyze arriving passenger and shipment data is the Automated Targeting System (ATS). CBP also uses ATS to analyze data in the Automated Export System (AES) on shipments leaving the U.S. In addition, the Advance Passenger Information System (APIS) provides CBP Officers with advanced notice of travelers arriving at international airports. CBP Officers cross-check the flight manifests against databases such as the Treasury Enforcement Communications System (TECS), the Interagency Border Inspection System (IBIS), and the National Crime Information Center (NCIC) to see if there are any "lookouts" for unlawful activity.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$313**	**$329**	**$395**	**$66**

Salaries and Benefits includes costs for 8 FTEs. The FY 2007 request includes an increase of $66,000 for the proposed FY 2007 increase of personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$63**	**$66**	**($32)**	**($98)**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $22,000 in non-pay inflation. There is also a decrease of $120,000 for nonrecurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charge	**$16**	**$17**	**$17**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$22,124**	**$23,218**	**$22,877**	**($341)**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $319,000 in non-pay inflation. There is also a decrease of $660,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$58**	**$61**	**$62**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$4,078**	**$4,279**	**$3,979**	**($300)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $120,000 in non-pay inflation. There is also a decrease of $420,000 for non-recurrals.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
National Targeting Center
Funding Schedule
(Dollars in Thousands)

PPA: National Targeting Center		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	4,678	6,788	8,748	$1,960
11.5	Other per comp	537	782	782	---
12.1	Benefits	1,408	2,043	2,751	708
12.6	Relocation	36	52	52	---
21.0	Travel	1,995	2,897	3,096	199
22.0	Transportation of things	9	13	13	---
23.1	GSA rent	716	1,039	1,363	324
23.3	Communication, Utilities and misc charges	1,013	1,470	1,576	106
24.0	Printing	---	---	5	5
25.0	Other Contractual Services	91	131	1,997	1,866
26.0	Supplies & materials	65	94	302	208
31.0	Equipment	841	1,221	2,950	1,729
Total, National Targeting Center		**$11,389**	**$16,530**	**$23,635**	**$7,105**
Full Time Equivalents		39	54	84	30

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

National Targeting Center

The priority mission of the U.S. Customs and Border Protection's (CBP's) National Targeting Center (NTC) is to provide around the clock tactical targeting and analytical research support for CBP anti-terrorism efforts. NTC is primarily staffed by CBP Officers and Field Analysis Specialists who are experts in passenger and cargo targeting for air, sea, and land operations in the inbound and outbound environments. The NTC staff develops tactical targets from raw intelligence in support of the CBP mission to detect and prevent terrorists and terrorist weapons from entering the United States. NTC supports all CBP field elements, including Container Security Initiative personnel stationed in countries throughout the world, with additional research assets for passenger and cargo examinations.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$6,659**	**$9,665**	**$12,333**	**$2,668**

Salaries and Benefits includes costs for 84 FTEs. The FY 2007 request includes an increase of $211,000 for the proposed FY 2007 increase in personnel compensation, and $2,457,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$1,995**	**$2,897**	**$3,096**	**$199**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $53,000 in non-pay inflation and $146,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$9**	**$13**	**$13**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$716**	**$1,039**	**$1,363**	**$324**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $4,000 in non-pay inflation and $320,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous cha	**$1,013**	**$1,470**	**$1,576**	**$106**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $106,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$0**	**$5**	**$5**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $5,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$91**	**$131**	**$1,997**	**$1,866**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $9,000 in non-pay inflation and $1,857,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$65**	**$94**	**$302**	**$208**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $19,000 in non-pay inflation and $189,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$841**	**$1,221**	**$2,950**	**$1,729**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $9,000 in non-pay inflation and $1,720,000 in program increases.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Training at the Ports of Entry
Funding Schedule

(Dollars in Thousands)

PPA: Training at the Ports of Entry		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
21.0	Travel	8,134	8,622	8,864	242
23.3	Communication, Utilities and misc charges	136	144	147	3
25.0	Other Contractual Services	9,180	9,733	9,919	186
26.0	Supplies & materials	1,699	1,802	1,819	17
31.0	Equipment	3,590	3,806	3,815	9
Total, Training at the Ports of Entry		**$22,739**	**$24,107**	**$24,564**	**$457**
Full Time Equivalents		---	---	---	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Training at the Ports of Entry

The Office of Training and Development exists to develop and deliver basic-, mid-, and advanced level training programs for all CBP employees, especially mission critical occupations (e.g., CBP Officers, Agriculture Specialists, Intelligence Analysts, Import Specialists, Entry Specialists) at the ports of entry. This training enables CBP employees to achieve the goals of improving border security, facilitating trade, and combating terrorism at the ports of entry.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$8,134**	**$8,622**	**$8,864**	**$242**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $242,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charg	**$136**	**$144**	**$147**	**$3**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $3,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$9,180**	**$9,733**	**$9,919**	**$186**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $186,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,699**	**$1,802**	**$1,819**	**$17**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $17,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$3,590**	**$3,806**	**$3,815**	**$9**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $9,000 in non-pay inflation.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Other Technologies
Funding Schedule
(Dollars in Thousands)

PPA: Other Technologies	2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:				
25.0 Other Contractual Services	999	1,008	1,027	19
Total, Other Technologies	**$999**	**$1,008**	**$1,027**	**$19**
Full Time Equivalents	---	---	---	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Other Technologies

This program is to fund In-bond Cargo Container Security, a pilot program to improve tracking of containers that are inbound for the United States. This program supports CBP's dual mission to prevent terrorists and their weapons of mass destruction from entering the U.S. and to facilitate legitimate trade and travel by leveraging the use of technology to screen in-bond cargo containers

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$999**	**$1,008**	**$1,027**	**$19**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $19,000 in non-pay inflation.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Border Security and Control Between the POEs
Funding Schedule
(Dollars in Thousands)

PPA: Border Security and Control Between the POEs		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	647,034	774,121	954,825	$180,704
11.3	Other than perm	2,088	2,498	13,264	10,766
11.5	Other per comp	274,401	328,297	346,031	17,734
12.1	Benefits	347,071	415,242	547,235	131,993
12.4	Uniform Allowance	313	374	374	---
12.6	Relocation	2,094	2,505	2,505	---
13.0	Benefits-former	65	78	78	---
21.0	Travel	23,738	28,399	50,806	22,407
22.0	Transportation of things	422	505	1,857	1,352
23.2	Other rent	11,072	13,247	38,024	24,777
23.3	Communication, Utilities and misc charges	13,535	16,193	22,452	6,259
24.0	Printing	---	---	204	204
25.0	Other Contractual Services	56,059	67,068	112,771	45,703
26.0	Supplies & materials	44,650	53,420	62,100	8,680
31.0	Equipment	19,652	23,513	86,877	63,364
32.0	Land & Structures	---	---	4,129	4,129
91.0	Unvouchered	73	87	87	---
Total, Border Security and Control Between the PO		**$1,442,267**	**$1,725,547**	**$2,243,619**	**$518,072**
Full Time Equivalents		11,955	12,944	14,576	1,632

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Border Security and Control Between the POEs

The Office of Border Patrol (OBP) has been delegated with the authority and responsibility to deliver the Executive Branch Program for "Border Security and Control between the Ports of Entry." The primary purpose of this program is to prevent the entry of terrorists and their instruments of terror, illegal immigrants, and contraband, while facilitating the legitimate flow of people, goods, and services on which the economy depends. The program will be accomplished through the judicious use of resources including personnel, surveillance technology, communications, and transportation, facilities, and mission support activities.

Border Patrol agents deter uncontrolled entry into the interior of the U.S. by: the rapid detection, interception, and apprehension of illegal entrants at or near the border; interdicting or deterring illegal aliens, drug smugglers, potential terrorists and criminals from attempting illegal entry between ports-of-entry; and causing persons seeking admission into the U.S. to present themselves at designated ports for inspection.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,273,066**	**$1,523,115**	**$1,864,312**	**$341,197**

Salaries and Benefits includes costs for 14,576 FTEs, and increase of 1,632 FTEs from FY2006. The FY 2007 request includes increases of $25,759,000 for the proposed FY 2007 increase in personnel compensation, $173,151,000 in annualization and $142,287,000 in program increases associated with the hiring of 1,500 additional Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$23,738**	**$28,399**	**$50,806**	**$22,407**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $981,000 in non-pay inflation, $4,602,000 in annualization, and $16,824,000 in program increases associated with the hiring of 1,500 additional border patrol agents ($8,324,000) and the Arizona Border Control Initiative ($8,500,000).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$422**	**$505**	**$1,857**	**$1,352**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes $8,000 for non-pay inflation and $1,344,000 in program increases associated with the hiring of 1,500 additional Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$11,072**	**$13,247**	**$38,024**	**$24,777**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes $5,816,000 in annualization and $18,961,000 in program increases associated with the hiring of 1,500 additional Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$13,535**	**$16,193**	**$22,452**	**$6,259**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes $1,136,000 in non-pay inflation and $5,123,000 in program increases associated with the hiring of 1,500 Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$0**	**$204**	**$204**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes $135,000 in annualization, and $69,000 in program increases associated with the hiring of 1,500 Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$56,059**	**$67,068**	**$112,771**	**$45,703**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes $11,663,000 in annualization and $77,879,000 in program increases associated with the hiring of 1,500 Border Patrol Agents. There is also a decrease of $43,839,000 in non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$44,650**	**$53,420**	**$62,100**	**$8,680**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes $2,081,000 in non-pay inflation and $73,000 in annualization, and $6,526,000 in program increases associated with the hiring of 1,500 additional Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$19,652**	**$23,513**	**$86,877**	**$63,364**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 includes $744,000 in non-pay inflation and $115,613,000 in program increases associated with the hiring of 1,500 additional Border Patrol Agents. There is also a decrease of $52,993,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$0**	**$4,129**	**$4,129**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes increases of $10,434,000 in program increases associated with the hiring of 1,500 additional Border Patrol Agents. There is also a decrease of $6,305,000 for non-recurrals.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$73**	**$87**	**$87**	**$0**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Air Program Operations and Maintenance
Funding Schedule

(Dollars in Thousands)

PPA: Air Program Operations and Maintenance		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	10,204	---	---	---
11.3	Other than perm	64	---	---	---
11.5	Other per comp	3,814	---	---	---
12.1	Benefits	4,601	---	---	---
12.6	Relocation	6	---	---	---
21.0	Travel	1,252	---	---	---
22.0	Transportation of things	76	---	---	---
23.2	Other rent	220	---	---	---
23.3	Communication, Utilities and misc charges	283	---	---	---
25.0	Other Contractual Services	6,584	---	---	---
26.0	Supplies & materials	7,710	---	---	---
31.0	Equipment	2,340	---	---	---
	Total, Air Program Operations and Maintenan	**$37,154**	**$0**	**$0**	**$0**
Full Time Equivalents		---	---	---	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Air Program Operations and Maintenance

The Air Program Operations and Maintenance program ensures the operations and maintenance of the Border Patrol's fleet of helicopters and fixed wing aircraft, which provide additional support to Border Patrol agents as they work to prevent and protect our nation's borders between the ports of entry.

In order to achieve increased effectiveness and economies of scale with CBP Air Assets, CBP has merged in air assets from Air and Marine Operations and Office of Border Patrol to create CBP Air. Funds related to Border Patrol air assets, therefore, has been transferred to the Air and Marine Interdiction, Operations, Maintenance, and Procurement Appropriation.

Summary Justification and Explanation of Changes

	2005 Actual	2006 RevisedEnacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$18,689**	**$0**	**$0**	**$0**

Salaries and Benefits includes costs to Object Class 11 and 12.

	2005 Actual	2006 RevisedEnacted	2007 Request	2006 - 2007 Change
Travel	**$1,252**	**$0**	**$0**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 RevisedEnacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$76**	**$0**	**$0**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 RevisedEnacted	2007 Request	2006 - 2007 Change
Other Rent	**$220**	**$0**	**$0**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 RevisedEnacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charg	**$283**	**$0**	**$0**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 RevisedEnacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$6,584**	**$0**	**$0**	**$0**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 RevisedEnacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$7,710**	**$0**	**$0**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	Actual	RevisedEnacted	Request	Change
Equipment	**$2,340**	**$0**	**$0**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Unmanned Aerial Vehicles
Funding Schedule
(Dollars in Thousands)

PPA: Unmanned Aerial Vehicles		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
25.2	Other Services	1,805	---	---	---
26.0	Supplies & materials	1,195	---	---	---
31.0	Equipment	8,000	---	---	---
	Total, Unmanned Aerial Vehicles	**$11,000**	**$0**	**$0**	**$0**
Full Time Equivalents		---	---	---	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Unmanned Aerial Vehicles

The purpose of this program is to procure, deploy, and operate a system of unmanned aerial vehicles to support the Border patrol or other components of CBP in accomplishing its mission through augmentation of modern law enforcement techniques, intelligence gathering, and technology. The use of UAVs to monitor remote areas of our northern and southern borders would be a significant step forward in providing security in those areas.

In order to achieve increased effectiveness and economies of scale with CBP Air Assets, CBP has merged in air assets from Air and Marine Operations and Office of Border Patrol to create CBP Air. Funds related to Border Patrol air assets, therefore, has been transferred to the Air and Marine Interdiction, Operations, Maintenance, and Procurement Appropriation.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,805**	**$0**	**$0**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,195**	**$0**	**$0**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$8,000**	**$0**	**$0**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Border Technology
Funding Schedule
(Dollars in Thousands)

PPA: Border Technology		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
21.0	Travel	143	222	222	---
23.2	Other rent	574	892	892	---
23.3	Communication, Utilities and misc charges	82	128	128	---
25.0	Other Contractual Services	20,611	11,283	41,561	30,278
26.0	Supplies & materials	1,224	1,903	1,903	---
31.0	Equipment	10,682	16,543	86,853	70,310
	Total, Border Technology	**$33,316**	**$30,971**	**$131,559**	**$100,588**
Full Time Equivalents		---	---	---	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Border Technology

Border Technology, formerly known as America's Shield Initiative (ASI) supports the U.S. Border Patrol (USBP) both tactically and strategically. At the tactical level, on-scene agents are provided with near real-time information on attempted border crossings by illegal aliens, terrorists, or smugglers. The installation of surveillance and sensory systems enables monitoring of targeted expanses of the border. Strategically, knowledge of this capability will likely deter illegal aliens and smugglers from attempting to cross the border as they realize the increased potential for apprehension.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$143**	**$222**	**$222**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$574**	**$892**	**$892**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$82**	**$128**	**$128**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$20,611**	**$11,283**	**$41,561**	**$30,278**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $278,000 in non-pay inflation and 30,000,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,224**	**$1,903**	**$1,903**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$10,682**	**$16,543**	**$86,853**	**$70,310**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $310,000 in non-pay inflation and $70,000,000 in program increases.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Training between the Ports of Entry
Funding Schedule
(Dollars in Thousands)

PPA: Training between the Ports of Entry		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.5	Other per comp	---	---	4,020	4,020
21.0	Travel	4,934	5,005	6,110	1,105
22.0	Transportation of things	2	2	1,322	1,320
23.2	Other rent	1	1	1	---
23.3	Communication, Utilities and misc charges	45	46	52	6
25.0	Other Contractual Services	12,438	12,619	27,880	15,261
26.0	Supplies & materials	863	875	889	14
31.0	Equipment	3,384	3,433	5,414	1,981
	Total, Training between the Ports of Entry	**$21,667**	**$21,981**	**$45,688**	**$23,707**
Full Time Equivalents		---	---	---	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Training between the Ports of Entry

The Office of Training and Development exists to develop and deliver basic-, mid-, and advanced level training programs for all CBP employees, especially mission critical occupations (e.g., Border Patrol Agents) between the ports of entry. This training enables CBP employees to achieve the goals of improving border security and combating terrorism between the ports of entry. This training ensures that CBP is able to rapidly deploy both on a temporary and permanent basis, a highly motivated, well-trained workforce who can quickly respond to potential terrorist threats, shifts in smuggling patterns and other national security threats.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$0**	**$4,020**	**$4,020**

Salaries and Benefits includes costs Object Classes 11 and 12. The FY 2007 request includes an increase of $4,020,000 in program increases associated with training additional 1,500 Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$4,934**	**$5,005**	**$6,110**	**$1,105**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $235,000 in non-pay inflation, $870,000 in program increases associated with training additional 1,500 Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$2**	**$2**	**$1,322**	**$1,320**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $1,320,000 in program increases associated with training additional 1,500 Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$1**	**$1**	**$1**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charge	**$45**	**$46**	**$52**	**$6**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $6,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$12,438**	**$12,619**	**$27,880**	**$15,261**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $150,000 in non-pay inflation, and $15,111,000 in program increases associated with training additional 1,500 Border Patrol Agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$863**	**$875**	**$889**	**$14**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $14,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$3,384**	**$3,433**	**$5,414**	**$1,981**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $11,000 in non-pay inflation and $1,970,000 in program increases associated with training additional 1,500 Border Patrol Agents.

H: PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
Air and Marine Operations - Salaries
Funding Schedule
(Dollars in Thousands)

PPA: Air and Marine Operations - Salaries		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	80,822	96,492	95,009	($1,483)
11.3	Other than perm	47	56	58	2
11.5	Other per comp	18,810	22,458	22,515	57
12.1	Benefits	31,225	37,278	36,476	(802)
12.4	Uniform Allowance	356	426	426	---
12.6	Relocation	93	111	111	---
21.0	Travel	183	218	235	17
22.0	Transportation of things	18	20	21	1
23.3	Communication, Utilities and misc charges	2,012	2,402	2,510	108
25.0	Other Contractual Services	504	602	624	22
26.0	Supplies & materials	1,185	1,415	1,428	13
31.0	Equipment	374	446	463	17
	Total, Air and Marine Operations - Salaries	**$135,629**	**$161,924**	**$159,876**	**($2,048)**
Full Time Equivalents		1,010	1,220	1,220	---

*FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Air and Marine Operations - Salaries

The purpose of Air and Marine Salaries is to apply the skills and expertise of CBP air and marine personnel to deter, interdict, and prevent acts of terrorism arising from unlawful movement of people and goods across the borders of the United States. Having aircraft and vessels along the borders reduces the quantity of drugs entering the U.S. and minimizes threat levels. The goal of this program is to deny the use of air, land and coastal waters for conducting acts of terrorism and other illegal activities against the United States.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$131,353**	**$156,821**	**$154,595**	**($2,226)**

Salaries and Benefits includes costs for 1,220 FTEs. The FY 2007 request includes an increase of $2,774,000 for the proposed FY 2007 increase in personnel compensation. There is also a decrease of $5,000,000 for the transfer to U.S. Coast Guard.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$183**	**$218**	**$235**	**$17**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $17,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$18**	**$20**	**$21**	**$1**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$2,012**	**$2,402**	**$2,510**	**$108**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $108,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Contractual Services	**$504**	**$602**	**$624**	**$22**

Other Contractual Services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $22,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,185**	**$1,415**	**$1,428**	**$13**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $13,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$374**	**$446**	**$463**	**$17**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $17,000 in non-pay inflation.

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Customs and Border Protection
Salaries and Expenses
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Headquarters Management and Administration	-	$35,746	-	$27,817	-	$30,095	-	$2,278	-		-	$2,278
Total Working Capital Fund	-	**$35,746**	-	**$27,817**	-	**$30,095**	-	**$2,278**	-		-	**$2,278**

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Automation Modernization

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
AUTOMATION MODERNIZATION

I. Appropriation Overview

A. Mission Statement for Automation Modernization:

To further the U.S. Customs and Border Protection (CBP) mission of securing our nation's borders while facilitating legitimate trade, CBP began modernizing its information systems. The first automation effort is the implementation of the Automated Commercial Environment (ACE), which is being developed and deployed in increments, and will eventually replace the current trade management system, the Automated Commercial System. ACE will provide tools and enhance the business processes that are essential to securing U.S. borders from terrorists by providing intelligence required to target illicit goods, while ensuring the efficient processing of legitimate goods. ACE capabilities have been designed to identify potential risks, analyze information prior to arrival of people and cargo, and provide intelligence in easy-to-use formats. As a web-based system, ACE will provide users from government and the trade community with new, more efficient ways of accessing, processing, and sharing trade-related information. The Critical Operations Protection & Processing Support (COPPS) mission is to consolidate all CBP Information Technology (IT) infrastructure requirements together.

B. Budget Activities:

Automated Commercial Environment (ACE)/ International Trade Data System (ITDS)

CBP is modernizing its business processes, information technology systems, and infrastructure to provide the functionality needed to support its mission and sustain its global leadership position in the years to come. ACE is CBP's response to the explosive growth in trade volume and will supplement and replace the Automated Export System (AES) and the Automated Commercial System (ACS). Within DHS, ACE is a much-needed tool to combat illegal activities and terrorist threats to the United States. In addition, ACE satisfies numerous legislative mandates that could not otherwise be achieved. The International Trade Data System (ITDS) is intended to be a secure, integrated, government-wide system for the electronic collection, use, and dissemination of trade and transportation data. To become a single window to the trade, ITDS will require the participation of about 78 Federal entities.

Critical Operations Protection & Processing Support (COPPS)

COPPS supports CBP IT infrastructure. The systems supported by CBP's IT infrastructure allow for "One Face at the Border" by providing more efficient and effective sharing of information and images among trade and law enforcement agencies. IT systems are vital tools CBP and other federal employees use to defend our borders. They assist CBP Officers in identifying potential catastrophic threats, including terrorists, weapons of mass destruction, and biological agents, as they attempt to enter the country.

C. Budget Request Summary:

CBP requests 62 FTE and $461,207,000. The total adjustments-to-base is $9,767,000 and there are no program increases.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
Automation Modernization
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual 1/		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1. Automation Modernization	**35**	**449,909**	**62**	**451,440**	**62**	**461,207**	**---**		**---**	**---**	**---**	**9,767**
ACE/ITDS	35	321,690	62	316,800	62	318,490			---	---	---	1,690
COPPS	---	128,219	---	134,640	---	142,717			---	---	---	8,077
Subtotal, Enacted Appropriations and Budget Estimates	**35**	**$449,909**	**62**	**$451,440**	**62**	**$461,207**	**---**	**$0**	**---**	**$0**	**---**	**$9,767**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**35**	**$449,909**	**62**	**$451,440**	**62**	**$461,207**	**---**	**$0**	**---**	**$0**	**---**	**$9,767**

1/ The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334

III. Current Services Program Description by PPA

Department of Homeland Security
Customs and Border Protection
Automation Modernization
Program Performance Justification
(Dollars in thousands)

PPA: ACE/ITDS

	Perm. Pos.	Work - years	Amount
2005 Actual	**48**	**35**	**$321,690**
2006 Enacted	**62**	**62**	**316,800**
2007 Adjustments to Base	---	---	1,690
2007 Current Services	**62**	**62**	**318,490**
2007 Request	**62**	**62**	**318,490**
Total Change 2006-2007	---	---	1,690

* The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334

CBP requests $318.490 million for ACE/ITDS. This is an increase of $1.7 million over FY 2006 for pay and non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

FY07 Automated Commercial Environment Planned Functionality

There are three planned drops (subset releases within overarching releases) that will provide functionality during FY07. These drops include the: Entry Summary, Accounts, and Revenue (Release 5) Master Data and Enhanced Accounts (Drop A1); e-Manifest: All Modes and Cargo Security (Release 6) e-Manifest: Rail and Sea (Drop M1); and ACE Screening & Targeting Advanced Targeting Tools (Release S3).

Entry Summary, Accounts, and Revenue (Release 5) Master Data/Enhanced Accounts (Drop A1)

This release expands on prior ACE releases by adding most account types and corresponding system master data. Release 5 expands the current importer, broker, and carrier accounts management activities to treat "any entity" doing business with CBP as an account. In addition to the expansion of account types, Master Data and Accounts (Drop A1) will provide trade representatives with the ability to register for CBP programs on-line. These programs will initially include on line application processing for Customs Trade Partnership Against Terrorism, Trusted Accounts, and other CBP programs, such as Free and Secure Trade (FAST). The ability for brokers to view client accounts will also be enabled in Drop A1. In Drop A1, the creation and maintenance of all master data elements and related reference files will originate in ACE and be distributed to other CBP systems (i.e., ACS, Automated Export System) for the following: Accounts master data (Trade Profiles), Tariffs, Manufacturer IDs, Organizational Data (i.e., port codes, FIRMs codes), Country, Reference data to support ESAR transactions, EDI Profiles, and Account Status.

e-Manifest: All Modes and Cargo Security (Release 6) e-Manifest: Rail and Sea (Drop M1)
The initial delivery of Release 6 provides an electronic manifest for the Rail and Sea modes of transportation. Release 6 extends to Rail and Sea the automated manifest processes for determining the admissibility of crew, cargo, conveyance, and equipment that was previously delivered for trucks in Release 4. This release will convert Rail and Sea electronic manifests, along with electronic truck manifests already being received by ACE, into the multi-modal application.

Along with the ability to view screening and targeting results for Rail, Sea and Truck shipments and entries, Release 6 provides the inspector with the capability to document potential enforcement issues in the TRACER subsystem that will record and track information associated to potential or actual noncompliance. The delivered functionality brings the ability to create, update, or close issues from the ACE truck manifest application to the Rail and Sea modes of transportation.

ACE Screening & Targeting Advanced Targeting Tools (Release S3)

The ACE Advanced Targeting Tools (Release S3) extends both screening and targeting. Release S3 delivers criteria management and execution functionality (i.e. impact analysis repository) to host enhanced business rules. Validation of the new supply chain or other external data sources that improve screening and targeting, as well as knowledge management and data source expansion, will be incorporated into the Advanced Targeting Tools (Release S3) functionality. This release supports completion of the Risk Management circle. Release S3 provides capability for initial risk identification, modeling, profiling, and mitigation design functionality. It closes the findings feedback loop and delivers a consolidated findings repository for analyzing and evaluating criteria. In this release, there are capabilities to measure operational effectiveness of screening and targeting criteria. In addition, there are extended criteria reporting capabilities, including criteria effectiveness for evaluation purposes and the ability to refine criteria based on findings. The release includes pattern recognition functionality to generate new criteria based on positive findings.

Release S3 automates a number of risk-related actions. The system generates criteria requests for enforcement/tracers based on user decisions and requests. Additional analytical tools allow users to analyze disparate data and track linkages and patterns that are suspicious. Link analysis capabilities enhance CBP knowledge of complex criminal networks.

PPA: COPPS

	Perm. Pos.	Work - years	Amount
2005 Actual	**---**	**---**	**$128,219**
2006 Enacted	**---**	**---**	**134,640**
2007 Adjustments to Base	---	---	8,077
2007 Current Services	**---**	**---**	**142,717**
2007 Request	**---**	**---**	**142,717**
Total Change 2006-2007	---	---	8,077

* The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334

CBP requests $142.717 million for COPPS. The ACE appropriation represents the lower limit the Department is required to expend on the ACE program. The $8.1 million increase comprises the remaining non-pay inflationary resources from ACE and non-pay inflationary adjustments to the COPPS programs.

CURRENT SERVICES PROGRAM DESCRIPTION:

Critical Operations Protection & Processing Support (COPPS) supports the U.S. Customs and Border Protection (CBP) Information Technology (IT) infrastructure. The systems supported by CBP's IT infrastructure allow for "One Face at the Border" and provide for more efficient and effective sharing of information and images amongst trade and law enforcement agencies. The IT systems are vital tools CBP and other Federal employees use to defend our borders. The systems assist CBP Officers in identifying potential catastrophic threats, including terrorists, weapons of mass destruction, and biological agents, as they attempt to enter the country. These IT systems provide the means to enforce U.S. Criminal and Trade Laws and to collect over $25 billion each year in tariffs and taxes associated with international trade and commerce.

CBP will facilitate trade growth, economic development, and enhance the efficient processing of international travelers through the use of comprehensive, integrated surveillance, detection, scientific, forensic, and information systems technology. The CBP infrastructure is the backbone supporting all of these capabilities. The technology utilized within CBP's infrastructure enables CBP to continually improve the selectivity of low-risk and high-volume cargo, vehicles, and people while expediting clearance processes. The infrastructure provides the basis for maintaining a sound trade management system that maximizes compliance with the law, moves legitimate cargo efficiently, targets high risk shipments, secures our borders, facilitates movement of international travel, protects the public from contraband, and maintains a strong support structure to achieve desired business results for both CBP and stakeholders. CBP's IT infrastructure fully supports the DHS mission of protecting our borders and facilitating trade. COPPS' goals are to assure that all CBP IT systems are available when needed to accomplish CBP's mission. The CBP IT infrastructure is a modern, technologically advanced, economically efficient system involving multiple operating platforms and the latest interoperability and integration technologies, tools, and capabilities.

COPPS provides networks, voice communications, Data Center, a Technical Support Center (help desk), and e-mail. COPPS serves as the backbone for mission critical trade and law enforcement

systems. The major mission critical systems, applications, and programs supported include the Automated Commercial System (ACS); Treasury Enforcement Communications System (TECS); Automated Export System (AES); Advanced Passenger Information System (APIS); Free and Secure Trade (FAST); Seized Asset and Case Tracking System (SEACATS); CBP's Financial and HR Management Systems; Fingerprinting and Identification System (IDENT); and the Arrival Departure Information System (ADIS). These systems directly support CBP's mission:

- ACS is the comprehensive system used by CBP to track, control, and process all commercial goods imported into the United States. ACS facilitates merchandise processing, reduces paper work and cuts processing costs for both CBP and the trade community. ACS facilitates overall cargo processing to speed imports to the trade community and into the national economy. ACS applies sophisticated analytical techniques such as the Border Release Advanced Selectivity System (BRASS) to enforce border and transportation security while enabling implementation of NAFTA. ACS collaborates electronic data collection and distribution services with other government agencies.

- TECS is used by CBP and other federal and state agencies to provide intelligence and warning data for passengers and people entering the United States. TECS is responsible for providing border and transportation security at border locations and foreign locations that are part of the CSI and US-VISIT projects.

- AES is the comprehensive system used by CBP, the Foreign Trade Division of the Bureau of Census (Commerce), the Bureau of Export Administration (Commerce), the Office of Defense Trade Controls (State), other Federal agencies, and the export trade community to track, control, and process all goods exported from the United States. AES is the central point through which export shipment data required by multiple agencies is electronically filed and is used to identify exports with potential safety and security risks, such as HAZMAT and munitions type cargo. AES provides improved information sharing, enhances the quality of decision making through shared information, and supports intelligence, border and transportation security.

- APIS permits research on passengers on international flights before their arrival in the United States. APIS collects biographical information (name, date of birth, country of residence, etc.) from international air passengers before their departure for the U.S.A. Air carriers submit passenger data at takeoff, allowing the data to be checked against the Interagency Border Inspection System (IBIS) before the passengers arrive. IBIS includes data from the databases of CBP, the State Department, and twenty-one other federal agencies. Passengers' names also are checked against the wanted person files at the FBI's National Crime Information Center (NCIC).

- SEACATS is the cradle-to-grave system for tracking all activity associated with seized and forfeited property from the initial enforcement interest in the property until its final disposal. SEACATS tracks the flow of any expenses and movement of the property from one site and location to another throughout the forfeiture process. SEACATS also provides the system of administrative adjudication for all CBP Fines and Penalty processing. The system interfaces with other internal CBP systems and with the Internal Revenue Service, the Justice Department and Treasury Forfeiture Funds and supports requirements for seized and forfeited property, fines, penalties, and liquidated damages.

- CBP's Financial and Human Resource (HR) Management Systems manage administrative systems. These systems include SAP financial management, payroll, various inventory systems to track assets from helicopters to badges, as well as HR.

- An interface to Automated Biometric Identification System (IDENT) is deployed with the Enforcement Apprehension Booking Module (EABM). IDENT allows CBP to track individuals that have had previous encounters with CBP, and provides statistical and intelligence data based on biometrics. IDENT allows CBP to identify known criminal aliens and individuals with active wants and warrants.

- An interface to Integrated Automated Identification System (IAFIS) currently has a limited deployment with EABM. The IAFIS capability allows CBP to positively identify any individual in the FBI Criminal Master File that has a criminal record. These responses are sent to the user along with the Criminal "Rap Sheet" in approximately three (3) minutes.

Other IT systems funded by and described under other accounts could not function without the basic IT infrastructure provided by COPPS. Among these systems are the United States Visitor Immigration Status Indication Technology (US VISIT), the Automated Commercial Environment (ACE), the Automated Targeting System (ATS), and the Border Patrol Enforcement Tracking System (BPETS). High-priority CBP programs, such as the Container Security Initiative (CSI), depend on the IT infrastructure for their effectiveness. In addition, newly developed and implemented systems are supported (e.g., the Global Enrollment System, or GES, and the Cargo Enforcement Reporting Tracking System, or CERTS).

Network and communications provided by COPPS include Blackberry servers, voice telephone (landline and cellular), audio/video conferencing, Internet, extranet and help desk and Value Added Network (VAN) connections. Communications also includes network bandwidth and fiber optic capabilities. Hardware includes back up generators, scanners, hand held computers, a network operations center, LANs, WANs, routers, encryptors, gateways, firewalls, mainframe computers, workstations, file/email/database/-application servers, modems, and VAN connections. Supporting software includes application development tools, Operating Systems, Program and Configuration Management tools, Office Automation tools, Section 508 tools, testing tools, LAN/WAN administration tools, and other management tools.

The CBP National Data Center (NDC) houses the centralized infrastructure equipment supporting mission critical systems. Extensive connectivity and support facilities exist at the NDC, ranging from a large computer room and control center to back up power, storage, and generators. The primary technical environments for major applications are mainframe and UNIX environments. The mainframe systems run z/OS, CICS, DATACOM/DB, WebSphere, MQ Series, supporting applications written in Assembler, COBOL, and Java. The UNIX systems run Solaris OS, Oracle, MQ Series, and applications developed in C, C++, and Java. The magnitude of the workload supported by the NDC is illustrated by the fact that the mainframes support over 100,000 users, involving the largest Fujitsu/Unix server environment of its kind in North America, the highest volume transaction volume against a Datacom database in the world, and the largest message processing organization in the world. The IT infrastructure supports CBP staff at over 1,500 field sites, more than 100 Federal, State, local, international government agencies, and more than 2,000 financial institutions and over 2,000 trade

partners. COPPS supports 47,000 total workstations/PCs, laptops, network printers, host printers, switches, and domain controllers numbered in the thousands; application servers (Microsoft/Intel based), and Novell Servers numbered in the hundreds. The Data Center also houses four mainframes that provide the large processing capacities required to support the volumes of data processing required. The mainframes are periodically upgraded to maintain processing capacity within acceptable performance standards. Support is also provided to wireless devices, such as Blackberry devices.

By keeping the IT infrastructure stable, available, and reliable, CBP greatly enhances the ability of CBP Officers to make timely decisions and to take appropriate action in protecting our Nation's borders. CBP's infrastructure requirements continue to grow, both in response to greater DHS requirements and in response to the natural and beneficial growth of international trade and immigration. CBP's trade systems continue to receive data from over 12,500 brokers, freight forwarders, and others representing the trade community. Based on historical measures, CBP expects workload to increase approximately 20 percent each year. The infrastructure must be augmented to accommodate this growth, as well as the growth associated with information systems development and enhancements, such as CERTS and ACE implementation. This does not mean that costs increase 20 percent per year, but it does mean that CBP must stay current in technology to ensure that our systems can keep up with demand and maintain response times that are consistent with industry best practices. Software and Hardware maintenance costs increase at an average rate of 10% per year. Critical system licenses include Veritas, IBM, Tivoli, Mainframe support, Oracle, DB2, Fujitsu, and Websphere MQ. Mainframe and Unix DASD (direct access storage device) growth continues at an average rate of 15% per year, and is currently in excess of 250 terabytes (TB).

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped

infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Customs and Border Protection
Justification of Proposed Changes in Automation Modernization
Appropriation Language

For expenses for customs and border protection automated systems, [$456,000,000] ***$461,207,000,*** to remain available until expended, of which not less than [$320,000,000] ***$318,490,000*** shall be for the development of the Automated Commercial Environment: *Provided*, That none of the funds made available under this heading may be obligated for the Automated Commercial Environment until the Committees on Appropriations of the Senate and the House of Representatives receive [and approve] a plan for expenditure prepared by the Secretary of Homeland Security that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11, part 7; (2) complies with the Department of Homeland Security information systems enterprise architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) includes a certification by the Chief Information Officer of the Department of Homeland Security that an independent verification and validation agent is currently under contract for the project; (5) is reviewed and approved by the Department of Homeland Security Investment Review Board, the Secretary of Homeland Security, and the Office of Management and Budget; and (5) is [reviewed by] ***submitted to*** the Government Accountability Office. *(Department of Homeland Security Appropriations Act, 2006)*

Explanation of Changes:

The terms [and approve] and [reviewed by] are removed to allow the Administration flexibility in making the most effective distribution of resources.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Automation Modernization
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**48**	**35**	**$449,909**
2006 Revised Enacted	**62**	**62**	**451,440**
Adjustments-to-Base			
Increases			
FY 2005 Base Restoration	---	---	2,009
2007 pay increase	---	---	152
Non-pay inflation	---	---	7,606
Total Increases	---	---	9,767
Total Adjustments-to-Base	**---**	**---**	**9,767**
2007 Current Services	**62**	**62**	**461,207**
2007 Request	**62**	**62**	**461,207**
2006 to 2007 Total Change	**---**	**---**	**9,767**

* The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Automation Modernization
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual 1/	48	35	$449,909
2006 Revised Enacted	62	62	451,440
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	9,767
Total Adjustments-to-Base	---	---	9,767
2007 Current Services	62	62	461,207
2007 Total Request	62	62	461,207
2006 to 2007 Total Change	---	---	9,767

Estimates by Program/Project Activity	2006 Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount
1 ACE/ITDS	62	62	$316,800	---	---	$1,690	---	---	$ ---	62	62	$318,490	---	---	$1,690
2 COPPS			134,640	---	---	8,077	---	---	---	---	--	142,717	---	---	8,077
Total	**62**	**62**	**$451,440**	---	---	**$9,767**	---	---	**$0**	**62**	**62**	**$461,207**	---	---	**$9,767**

Note:
1/ The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Customs and Border Protection
Automation Modernization
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual 1/	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$4,249	$6,047	$6,192	$145
11.3 Other than full-time permanent	34	48	49	1
11.5 Other Personnel Compensation	15			---
12.1 Benefits	1,306	1,432	1,466	34
Total, Personnel Comp. & Benefits	**$5,604**	**$7,527**	**$7,707**	**$180**
Other Object Classes:				
21.0 Travel	1,394	2,898	767	(2,131)
22.0 Transportation of things	81	228	15	(213)
23.3 Communications, utilities, & other misc. charges	28,168	38,600	37,702	(898)
25.1 Advisory and assistance services	18,925	23,069	20,581	(2,488)
25.2 Other services	271,543	331,008	295,286	(35,722)
25.7 Operation and maintenance of equipment	30,441	37,108	33,103	(4,005)
26.0 Supplies and materials	183	457	149	(308)
31.0 Equipment	70,000	146,907	65,897	(81,010)
Total, Other Object Classes	**$420,736**	**$580,275**	**453,500**	**($126,775)**
Total, Direct Obligations	**$426,340**	**$587,802**	**$461,207**	**($126,595)**
Unobligated balance, start of year	(111,482)	(136,362)	---	136,362
Unobligated balance, end of year	136,362			---
Recoveries of prior year obligations	(1,311)	---	---	---
Total requirements	**$449,909**	**$451,440**	**$461,207**	**$9,767**

1/ The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Customs and Border Protection
Automation Modernization
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	1	1	1	---
GS-15	8	11	11	---
GS-14	20	26	26	---
GS-13	15	20	20	---
GS-12	1	1	1	---
GS-11	1	1	1	---
GS-9	1	1	1	---
GS-7	1	1	1	---
Total Permanent Positions	**48**	**62**	**62**	**---**
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	48	62	62	---
FTE	**35**	**62**	**62**	**---**
Headquarters	48	62	62	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	**48**	**62**	**62**	**---**
Average ES Salary	$ 132,600	$ 136,711	$ 139,992	$ 3,281
Average GS Salary	$ 96,090	$ 99,069	$ 101,446	$ 2,378
Average GS Grade	13.49	13.57	13.57	---

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Automation Modernization
ACE/ITDS
Funding Schedule
(Dollars in Thousands)

	PPA: ACE/ITDS	2005 Actual 1/	2006 Revised Enacted 2/	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$4,249	$6,047	$6,192	$145
11.3	Other than perm	34	48	49	1
11.5	Other per comp	15			---
12.1	Benefits	1,306	1,432	1,466	34
21.0	Travel	1,104	384	384	---
22.0	Transportation of things	81	15	15	---
23.3	Communication, Utilities, and misc charges	11,332	15,466	15,466	---
25.1	Advisory & Assistance Services	15,657	15,982	16,041	59
25.2	Other Services	224,645	229,309	230,125	816
25.7	Operation & maintenance of equipment	25,183	25,707	25,799	92
26.0	Supplies & materials	117	56	56	---
31.0	Equipment	39,640	22,354	22,897	543
91.0	Unvouchered	1			---
	Total, ACE/ITDS	**$323,364**	**$316,800**	**$318,490**	**$1,690**
	Full Time Equivalents	35	62	62	

1/ The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334
2/ Does not include obligations against FY 2006 unobligated balances SOY

ACE/ITDS Mission Statement

To further the CBP mission of securing our nation's borders while facilitating legitimate trade, CBP began modernizing its information systems. The first automation effort is the implementation of the Automated Commercial Environment (ACE), which is being developed and deployed in increments, and will eventually replace the current trade management system, the Automated Commercial System. ACE will provide tools and enhance the business processes that are essential to securing U.S. borders from terrorists by providing intelligence required to target illicit goods, while ensuring the efficient processing of legitimate goods. ACE capabilities have been designed to identify potential risks, analyze information prior to arrival of people and cargo, and provide intelligence in easy-to-use formats. As a web-based system, ACE will provide users from government and the trade community with new, more efficient ways of accessing, processing, and sharing trade-related information.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$5,604**	**$7,527**	**$7,707**	**$180**

Salaries and Expenses includes cost for 62 FTE. The FY 2007 request includes an increase for the proposed FY 2007 pay raise.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$1,104**	**$384**	**$384**	**$0**

Provides for travel to and from the many localities where ACE is being deployed to provide support to the IT infrastructure, ACE application, and for training of personnel.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$81	$15	$15	$0

Provides for shipping related to relocating subject matter experts from field locations to the Washington, DC area.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$11,332	$15,466	$15,466	$0

Provides for telecommunication costs, utility costs, and facility costs at government-leased buildings that house ACE staff.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$15,657	$15,982	$16,041	$59

Provides for ACE support contracts and ACE system integrator support for requirements definition and design activities.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	$224,645	$229,309	$230,125	$816

Acquisition of services to provide support related to the use of ACE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	$25,183	$25,707	$25,799	$92

Provides for all software and hardware maintenance costs associated with ACE

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$117	$56	$56	$0

Provides for ACE-related general office supplies.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	$39,640	$22,354	$22,897	$543

Provides for all capitalized and/or accountable software and hardware purchased to support ACE, as well as all system integrator labor to develop the ACE software.

	2005 Actual	2006 Enacted	2007 Request	2006-2007 Change
Unvouchered	$1	$0	$0	$0

Unvouchered includes expenditures made lawfully for confidential purposes which are not subject to detailed vouchering or reporting

Department of Homeland Security
U.S. Customs and Border Protection
Automation Modernization
COPPS
Funding Schedule
(Dollars in Thousands)

PPA: COPPS		2005 Actual 1/	2006 Revised Enacted 2/	2007 Request	2006 to 2007 Change
Object Classes:					
21.0	Travel	290	383	383	---
23.3	Communication, Utilities, and misc charges	16,836	22,236	22,236	---
25.1	Advisory & Assistance Services	3,268	4,236	4,540	304
25.2	Other Services	46,899	60,787	65,161	4,374
25.7	Operation & maintenance of equipment	5,257	6,814	7,304	490
26.0	Supplies & materials	66	87	93	6
31.0	Equipment	30,360	40,097	43,000	2,903
	Total, COPPS	**$102,976**	**$134,640**	**$142,717**	**$8,077**
Full Time Equivalents		---	---	---	---

1/ The FY 2005 column represents enacted budget authority pursuant to P.L. 108-334

2/ Does not include obligatons against FY 2006 unobligated balances SOY.

COPPS Mission Statement

The Critical Operations Protection & Processing Support (COPPS) mission is to consolidate all U.S. Customs and Border Protection (CBP) Information Technology (IT) infrastructure requirements together.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$290**	**$383**	**$383**	**$0**

Provides for travel to and from the many localities (over 1,000) where CBP maintains Information Technology (IT) systems, such as Ports of Entry, to provide support to the IT infrastructure, and for training of personnel.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$16,836**	**$22,236**	**$22,236**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$3,268**	**$4,236**	**$4,540**	**$304**

Acquisition of commercial services to support the CBP Information Technology (IT) infrastructure, including systems and LAN engineering, and enterprise-wide IT system security.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$46,899**	**$60,787**	**$65,161**	**$4,374**

Acquisition of services to provide support related to the use of proprietary systems (e.g., for configuration management and e-mail), and network systems.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$5,257**	**$6,814**	**$7,304**	**$490**

Contractors install, operate and maintain the CBP National Data Center's equipment (including mainframes, servers, printers, extensive communications equipment, and environmental controls) as well as that of the CBP IT networks, including voice communications systems. Contractors also install and maintain desktop equipment, associated networks and printers, and provide support for various wireless communications technologies.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$66**	**$87**	**$93**	**$6**

Enterprise licenses for large-scale database management systems, magnetic tapes for backing up data at the CBP National Data Center, and general supplies such as printer toner and paper.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$30,360**	**$40,097**	**$43,000**	**$2,903**

Acquisition of software licenses and IT hardware. Licenses include those for mainframe computer systems (including MIPS, Million Instructions per Second), WAN and LAN operating systems, desktop systems (such as Windows and Microsoft Office), and anti-virus software. Hardware related to IT systems includes increasing the capacity of mainframes, servers, and storage (such as DASD, Direct Access Storage Devices).

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. Customs and Border Protection

Construction Program

Fiscal Year 2007
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST

U.S. CUSTOMS AND BORDER PROTECTION

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BUDGET REQUEST AND SUPPORTING INFORMATION

U. S. CUSTOMS AND BORDER PROTECTION
CONSTRUCTION PROGRAM

I. Appropriation Overview

A. Mission Statement for Construction

Provide the facilities and tactical infrastructure U. S. Customs and Border Protection (CBP) needs to perform its enforcement and trade facilitation missions.

B. Budget Activities:

Major Construction
Plan, design, construct and outfit new buildings and associated infrastructure (e.g. parking lots, utilities).

Tactical Infrastructure
Plan, design, construct, and maintain tactical infrastructure (e.g. fences, patrol roads, vehicle barriers, and lights) required by CBP, Office of the Border Patrol, to achieve operational control U. S. borders. The Office of the Border Patrol employs a mix of tactical infrastructure, personnel, and technology to achieve operational control of U. S. borders and this appropriation funds the construction and maintenance of tactical infrastructure.

Minor Construction and Alterations
Plan, design, and construct small structures and buildings; correct functional and physical inadequacies in existing facilities by planning, designing, and executing major renovation projects.

Lease Acquisition Base
Plan, design, and construct the build out of leased facilities used by the CBP, Office of the Border Patrol.

Operations, Maintenance and Repair
Fund service contracts and the purchase of materials needed to maintain and repair facilities.

Planning
Funds special studies that align the construction program with CBP's long-range strategies. The studies ensure facility and tactical infrastructure investments are consistent with CBP's operational strategies and are not a one-for-one replacement program.

C. Budget Request Summary:

The CBP Construction Program requests $255,954,000 for FY 2007. The total adjustments-to-base is ($161,669,000). The program increase is $139,923,000 to:

- Construct facilities for the additional Border Patrol agents CBP is requesting in FY 2007, $59,100,000.
- Accelerate construction of tactical infrastructure in San Diego, CA, $30,000,000.
- Accelerate construction of tactical infrastructure in Western Arizona, $50,823,000.

II. Summary of FY 2007 Estimates by Appropriation and Program

Department of Homeland Security
U. S. Customs and Border Protection
Construction
Summary of FY 2007 Estimates by Appropriation and Program
(Dollars in thousands)

Program/Project Activity	FY 2005* Actual		FY 2006** Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	Amount	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Construction	-	$ 143,593	-	$ 277,700	-	$ 255,954	-	$ (21,746)	-	$ 139,923	-	$ (161,669)
Net, Enacted Appropriations and Budget Estimates	-	$ 143,593	-	$ 277,700	-	$ 255,954	-	$ (21,746)	-	$ 139,923	-	$ (161,669)

*The FY 2005 column represents enacted budget authority pursuant to P.L. 108-344.

** FY 2006 includes $10.4M of supplemental funding provided in P.L. 109-148.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Customs and Border Protection
Construction
Program Performance Justification
(Dollars in thousands)

PPA: CONSTRUCTION

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$ 143,593**
2006 Enacted	...	...	**$ 277,700**
2007 Adjustments-to-Base	...	...	$(161,669)
2007 Current Services	...	...	**$116,031**
2007 Program Change	...	...	$139,923
2007 Request	...	...	**$255,954**
Total Change 2006-2007	...	...	$(21,746)

CBP requests $256 million for this activity. This is a decrease of $21.7 million below FY 2006. Adjustments to base of $161.7 million reflect non-recurring costs associated with FY 2006 initiatives.

CURRENT SERVICES PROGRAM DESCRIPTION:

The mission of the Construction program is to provide the facilities and tactical infrastructure CBP needs to perform its enforcement and trade facilitation missions. CBP's priority mission is to prevent terrorists and terrorist weapons from entering the United States. As the nation's unified border agency CBP also interdicts illegal drugs and aliens, facilitates legitimate global trade and travel, and protects the nation's food supply and agriculture industry from pests and disease.

The current services program provides environmental planning, site planning, site acquisition, design services, and construction of new buildings and tactical infrastructure. It builds out leased space, and repairs, renovates, and alters government owned and leased space. The program also funds routine facility operations and maintenance. The current services program of $116M includes costs for the following: major construction $46M, tactical infrastructure $25M, minor construction and alterations $9M, lease acquisition $9M, operations, maintenance and repair $25M, and planning $2M.

CBP requires facilities to support the workforce and equipment it uses to secure America's borders. Buildings and structures include but are not limited to office space, ports of entry, laboratories, aviation hangars, marine piers, classrooms, small arms ranges, training facilities that simulate operating environments, Border Patrol stations, and Border Patrol sector headquarters. In addition to buildings, CBP's Office of Border Patrol uses tactical infrastructure to achieve operational control of U. S. borders. Tactical infrastructure (e.g. fences, vehicle barriers, lights, roads) serves as a force multiplier by providing physical impediments to illegal entry and expediting Border Patrol agent movement.

Border Patrol sector headquarters provide operational command, control and communications in the sector's area of responsibility. Missions and capabilities supported by these buildings include remote video surveillance of the border, intelligence analysis and planning, vehicle maintenance and storage, operational planning, training, personnel support, and training. Sector headquarters also plan the strategic deployment of agents to Border Patrol stations and camp details within the sector.

Strategically located Border Patrol stations facilitate Border Patrol agent mobility and deployment to areas of illegal activity. Border Patrol station activities include command, control and communications, illegal alien detention and processing, air and marine operations, search and rescue, tactical team staging, intelligence unit support, canine and horse operations, interior repatriation, remote video surveillance of the border, vehicle maintenance and storage, administration, training, and law enforcement coordination.

Mobile and self-sustaining Border Patrol forward operating bases placed in remote locations facilitate rapid responses to shifting patterns of criminal activity. Forward operating bases provide habitability for Border Patrol agents in addition to providing communications support.

The program provides environmental planning, site planning, site acquisition, design services, and construction of new buildings and tactical infrastructure. It builds out leased space, and repairs, renovates, and alters government owned and leased space. The program also funds routine facility operations and maintenance.

One of the program's major users is CBP's Office of Border Patrol. The Office of Border Patrol's new national strategy includes adding a significant number of agents and expanded use of tactical infrastructure. The construction program provides facilities for the additional agents and constructs tactical infrastructure.

CBP Construction-5

IV. Program Justification of Changes

Department of Homeland Security
U. S. Customs and Border Protection
Construction
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Border Patrol Facilities

Strategic Goal(s) & Objective(s): 2.1 – Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws

PPA: Construction

Program Increase: Positions 0 FTE 0 Dollars $59,100

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	-	-		-	-		-	-	$45,719
Program Increase	-	-		-	-		-	-	$59,100
Total Request	-	-	**$98,793**	-	-	**$122,050**	-	-	**$104,819**

Description of Item
Provide funds to construct facilities for the 1,500 Border Patrol agents requested elsewhere in the budget.

Justification
CBP does not have adequate facilities to sufficiently house additional Border Patrol agents. Failure to provide proper facilities will result in less than optimal performance from the additional agents, thereby reducing the government's return on its investment.

Impact on Performance (Relationship of Increase to Strategic Goals)
The addition of new and expanded Border Patrol Stations will provide strategically located bases to facilitate agent mobility and rapid deployment to areas of heaviest illegal activity. Missions and capabilities enabled by these facilities include staging and deployment of Border Patrol Agents, tactical teams and search and rescue teams; command, control and communications; detention and processing, air and marine operations, intelligence unit support, canine and horse operations, interior repatriation, remote video surveillance of the border, fleet maintenance and storage, administrative, training, and law enforcement coordination.

Program Increase 2: Tactical Infrastructure Western Arizona

Strategic Goal(s) & Objective(s): 2.1 – Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws
PPA: Construction

Program Increase: Positions 0 FTE 0 Dollars $50,823

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	-	-		-	-		-	-	$7,000
Program Increase	-	-		-	-		-	-	$50,823
Total Request	-	-	**$7,000**	-	-	**$7,000**	-	-	**$57,823**

Description of Item
Funding to accelerate construction of tactical infrastructure in Western Arizona. This initiative will construct approximately 39 miles of permanent vehicle barriers in Western Arizona. Tactical infrastructure prevents and deters illegal border crossings and provides a force-multiplier by enhancing agent efficiency in responding to and interdicting illegal entrants. Funding provided for 2006 will be used to plan, engineer, and construct vehicle barriers.

Justification
CBP, Office of Border Patrol's national strategy involves using a combination of tactical infrastructure, personnel, and technology to achieve operational control of U. S. borders. An Office of Border Patrol operational priority is achieving operational control of the Western Arizona border in the Cabeza Prieta National Wildlife Refuge and the Barry M. Goldwater Range.

Tactical infrastructure has generally been funded from the CBP construction base. The funds were used for planning, engineering, and purchase of construction materials and Department of Defense military units were used to construct the tactical infrastructure. Using this traditional approach would take until 2010 or longer to construct the tactical infrastructure needed to achieve operational control of the Western Arizona border. This initiative funds a commercial contract to construct almost one-half of the vehicle barriers required to achieve operational control of the Western Arizona border.

Impact on Performance (Relationship of Increase to Strategic Goals)
The strategic goal of the Border Patrol is to achieve operational control of the border, defined as the ability to deter, detect and interdict illegal border penetrations. The combined effect of the Tactical Infrastructure is to stop, slow and channel illegal border crossers into enforcement zones and to decrease agent response times. In areas where Tactical Infrastructure has been fully implemented in combination with personnel and technology, operational control of the border has been achieved. The trend in these controlled areas is an initial increase in apprehensions followed by a significant reduction crossing attempts as the futility of avoiding detection and apprehension is realized.

Program Increase 3: San Diego Fence (Border Infrastructure System)

Strategic Goal(s) & Objective(s): 2.1 – Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws

PPA: Construction

Program Increase: Positions 0 FTE 0 Dollars $30,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	-	-		-	-		-	-	$5,250
Program Increase	-	-		-	-		-	-	$30,000
Total Request	-	-	**$0**	-	-	**$34,650**	-	-	**$35,250**

Description of Item

Funding to accelerate construction of the San Diego Fence (Border Infrastructure System). FY 2007 funding will be used to purchase land needed for construction and to continue construction of the five miles of border infrastructure (multiple fences and roads) remaining to be built. Nine of fourteen miles has been constructed and this request when combined with the FY06 appropriation will provide about two-thirds of the funds needed to complete construction.

Justification

Section 102 of the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) in 1996 mandated construction of a 14-mile multi-tiered fence with patrol roads along the border in the vicinity of San Diego, CA. Approximately nine of the required fourteen miles are in place. CBP estimates it will cost approximately $66,300,000 to finish the system using a combination of commercial contracts and military labor. System construction would be completed in 2011 using this approach. This initiative provides almost half of the funds needed to complete the system and keep the project on schedule for a 2011 completion date.

Impact on Performance (Relationship of Increase to Strategic Goals)

The strategic goal of the Border Patrol is to achieve operational control of the border, defined as the ability to deter, detect and interdict illegal border penetrations. The combined effect of the Tactical Infrastructure is to stop, slow and channel illegal border crossers into enforcement zones and to decrease agent response times. In areas where Tactical Infrastructure has been fully implemented in combination with personnel and technology, operational control of the border has been achieved. The trend in these controlled areas is an initial increase in apprehensions followed by a significant reduction crossing attempts as the futility of avoiding detection and apprehension is realized.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Customs and Border Protection
Justification of Proposed Changes in Construction
Appropriation Language

For necessary expenses to plan, construct, renovate, equip, and maintain buildings and facilities necessary for the administration and enforcement of the laws relating to customs and immigration, [$270,000,000], **$255,954,000** to remain available until expended [:*Provided,* That of the total amount provided under this heading, $35,000,000 shall be available for the San Diego sector fence; $35,000,000 shall be available for Tucson sector tactical infrastructure; and $26,000,000 shall be available for the Advanced Training Center]. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

Proposed changes in language will support Border Patrol's National Strategy and account for additional funding to support other CBP construction initiatives.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Construction
FY2006 to FY2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	$ 143,593
2006 Revised Enacted	-	-	277,700
Adjustments-to-Base			
Decreases			
Non-recurring costs associated with FY 2006 Initiatives	-	-	(161,669)
Total Decrease	-	-	(161,669)
Total Adjustments-to-Base	-	-	**(161,669)**
2007 Current Services	-	-	**116,031**
Program Changes			
Program Increases			
Border Patrol Facilities	-	-	59,100
Tactical Infrastructure Western Arizona	-	-	50,823
San Diego Border Infrastructure System	-	-	30,000
Total Program Changes	-	-	**139,923**
2007 Request	-	-	**255,954**
2006 to 2007 Total Change	-	-	**(21,746)**

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Construction

Summary of Requirements

(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	-	-	**$ 143,593**
2006 Revised Enacted	-	-	**277,700**
Adjustment-to-Base			
Decreases	-	-	(161,669)
Total Adjustments-to-Base	-	-	(161,669)
2007 Current Services	-	-	**116,031**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	139,923
2007 Total Request	-	-	**255,954**
2006 to 2007 Total Change	-	-	(21,746)

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-To-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Construction	-	-	$ 277,300	-	-	$ (161,669)	-	-	139,923	-	-	$ 255,954	-	-	$ (21,746)
Total	-	-	**$ 277,300**	-	-	**$ (161,669)**	-	-	**$ 139,923**	-	-	**$ 255,954**	-	-	**$ (21,746)**

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Customs and Border Protection
Construction
Summary of Requirements by Object Class

(Dollars in Thousands)

Object Classes	2005 Actual*	2006** Revised Enacted	2007 Request	2006-2007 Change
Other Object Classes:				
22.0 Transportation of things	$ 170	$ 158	$ 184	$ 26
23.3 Communication, Utilities, and misc charges	85	79	92	13
25.2 Other Services	69,293	73,922	69,848	(4,074)
25.7 Operation & maintenance	2,975	3,168	3,200	32
31.0 Equipment	4,420	8,833	6,253	(2,580)
32.0 Land and Structures	133,174	211,736	176,377	(35,359)
Total, Other Object Classes	**$ 210,117**	**$ 297,897**	**$ 255,954**	**$ (41,943)**
Total, Direct Obligations	**$ 210,117**	**$ 297,897**	**$ 255,954**	**$ (41,943)**
Less Unobligated Balance Start of Year	(86,721)	(20,197)	-	20,197
Unobligated Balance End of Year	20,197	-	-	-
Total requirements	**$ 143,593**	**$ 277,700**	**$ 255,954**	**$ (21,746)**

*FY 2005 Obligation spread differs from MAX because final numbers were received after MAX closed.

**FY 2006 Obligation numbers differ from MAX because numbers include carryover.

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing
CBP Construction-14

U. S. Customs and Border Protection
Construction Program

- $255,954,000
- CBP Facilities and Tactical Infrastructure:
  - Major Construction
  - Tactical Infrastructure
  - Operations and Maintenance
  - Minor Construction and Alterations
  - Lease Acquisition Base
  - Planning

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
Major Construction	$ 45,719	$ 59,100	$ 104,819	Construction	CBP
Tactical Infrastructure	$ 25,183	$ 80,823	$ 106,006	Construction	CBP/ Border Patrol
Minor Construction and Alterations	$ 9,397	$ 0	$ 9,397	Construction	CBP
Lease Acquisition Base	$ 9,204	$ 0	$ 9,204	Construction	CBP/ Border Patrol
Operations, Maintenance and Repair	$ 24,621	$ 0	$ 24,621	Construction	CBP
Planning	$ 1,907	$ 0	$ 1,907	Construction	CBP/ Border Patrol
Total Non-IT Investments $ 5 Million or more	$ 114,124	$ 139,923	$ 254,047		
Total Non-IT initiatives under $5 million	$ 1,907	$ 0	$ 1,907		
Total Non-IT Investments	$ 116,031	$ 139,923	$ 255,954		
Total of IT Investments	$ 0	$ 0	$ 0		
Total all IT and Non-IT Investments	$ 116,031	$ 139,923	$ 255,954		

CBP Construction-15

NAME OF CONSTRUCTION INITIATIVE
Border Patrol Facilities and Tactical Infrastructure

1. Project Description, Justification and Scope

Provide the facilities and tactical infrastructure CBP needs to secure the nation's borders.

Facilities: The proposed construction budget addresses facility requirements at CBP's Advanced Training Center, and at Border Patrol sectors, stations, checkpoints and forward operating bases.

Tactical Infrastructure: The proposed tactical infrastructure budget addresses requirements for systems such as fencing, vehicle barriers, high intensity lighting, bridges, drainage structures and road improvements. CBP's Office of the Border Patrol employs tactical infrastructure to physically prevent or slow illegal border crossing activity, channel illegal flows to enforcement zones, and improve agent freedom of movement.

2. Significant Changes

CBP's Office of the Border Patrol is at a critical point implementing its national strategy. Although the strategy has been implemented in certain locations, additional personnel and tactical infrastructure are required to achieve optimum deterrence and operational effectiveness. To support the strategy, this year's new initiatives accelerate construction of tactical infrastructure in Western Arizona and San Diego, CA, and builds facilities for additional Border Patrol agents requested elsewhere in the budget. These new initiatives are in addition to the program's responsibility to maintain and construct facilities/tactical infrastructure associated with program base.

3. Project Schedule

Projects:	Fiscal Year				Total Estimated Completion Cost ($000)	Total Project Cost ($000)
	Work Initiated	Work Completed	Physical Construction Start	Physical Construction Complete		
Leadership Center, Advanced Training Center Harpers Ferry, WV	2006	ongoing	2007	2009	0	9,000
Lynden/ Sumas Border Patrol Station, WA	2003	ongoing	2006	2008	2,000	12,155
Blythe Border Patrol Station, CA	2005	ongoing	2008	2009	15,000	16,300
Calexico Border Patrol Station, CA	2006	ongoing	2008	2010	27,400	30,400
El Centro Border Patrol Sector Headquarters, CA	2001	ongoing	2006	2008	0	38,676
Campo Border Patrol Station, CA	2000	ongoing	2006	2008	0	26,446
McAllen Border Patrol Station, TX	2001	ongoing	2006	2008	0	28,063
Hebbronville Border Patrol Station, TX	2001	ongoing	2003	2006	0	10,390
El Paso Border Patrol Sector Checkpoints, TX	1997	ongoing	1998	2010	3,100	12,600
Jackman Border Patrol Station, ME	2003	ongoing	2005	2007	1,800	7,997
Calais Border Patrol Phase 1, Station, Me	2003	ongoing	2005	2007	1,800	8,050
Laredo, BP I-35 Sector Checkpoint, TX	2000	ongoing	2003	2006	0	13,562
Bonners Ferry Border Patrol Station , WA	2002	ongoing	2007	2008	1,500	6,710
Oroville Border Patrol Station, WA	2002	ongoing	2007	2008	600	7,320
Van Buren Border Patrol Station, ME	2003	ongoing	2006	2008	4,700	13,231
Brownsville Border Patrol Station, TX	2004	ongoing	2006	2008	16,000	30,900
Rio Grande Valley Border Patrol Sector Headquarters, TX	2000	ongoing	2004	2006	0	24,570
Naco, Border Patrol Station, AZ	2005	ongoing	2008	2010	28,000	32,825
Sonoita Border Patrol Station, AZ	2005	ongoing	2008	2010	16,400	19,980
Ft Hancock Border Patrol Station, NM	2005	ongoing	2007	2009	18,100	21,750
Massena Border Patrol Station, NY	2003	ongoing	2006	2008	9,000	10,000
Swanton Sector I-91 Checkpoint, VT	2005	ongoing	2008	2010	9,000	10,000
Swanton Sector I-87 Checkpoint, VT	2005	ongoing	2008	2010	9,000	10,000
Willcox Border Patrol Station, AZ	2005	ongoing	2006	2008	2,500	20,500
Welton Border Patrol Station, AZ	2005	ongoing	2008	2010	14,750	16,050
El Paso Border Patrol Station, TX	2003	ongoing	2008	2010	5,000	20,865
Lordsburg Phases 1&2	2005	ongoing	2008	2010	14,850	17,350

CBP Construction-17

Border Patrol Station, NM						
Lordsburg Border Patrol Camps, NM	2005	ongoing	2005	2006	0	2,500
Ajo Border Patrol Station, AZ	2005	ongoing	2008	2010	21,200	25,000
Yuma Border Patrol Station, AZ	2003	ongoing	2004	2006	0	20,170
Uvalde Checkpoint , TX	2003	ongoing	2008	2010	3,500	9,034
Eagle Pass Border Patrol Station, TX	2003	ongoing	2004	2006	0	15,520
Tactical Infrastructure FY07 Base Funded Projects	2007	ongoing	2007	2008	25,183	25,183
Tactical Infrastructure, San Diego Border Infrastructure System, CA	1996	ongoing	1997	2011	66,300	126,500
Tactical Infrastructure Vehicle Barriers in Western Arizona	2004	ongoing	2006	2011	101,533	115,533
Total					418,216	815,130

4. Schedule of Project Funding
(Dollars in Thousands)

Major Construction – Multiple Projects

	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation		$ 43,360	$146,990	$ 104,819	$295,169
Obligation (actual and planned)		$ 43,360	$146,990	$ 104,819	$295,169
Expenditure (actual and planned)		$ 43,360	$146,990	$ 104,819	$295,169
Break down of project related expenditures:					
Facility cost:					
Construction 83%		$ 35,988	$ 122,002	$ 87,000	$244,990
Planning and Site 6%		$ 2,602	$ 8,819	$ 6,289	$ 17,710
Design and Engineering 6%		$ 2,602	$ 8,819	$ 6,289	$ 17,710
Other Costs: Auxiliary Costs 5%		$ 2,168	$ 7,350	$ 5,241	$ 14,759
Total Project Expenditures		$ 43,360	$146,990	$ 104,819	$295,169

Tactical Infrastructure – multiple projects

	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation		$ 15,000	$ 93,060	$ 106,006	$ 214,066
Obligation (actual and planned)		$ 15,000	$ 93,060	$ 106,006	$ 214,066
Expenditure (actual and planned)		$ 15,000	$ 93,060	$ 106,006	$ 214,066
Break down of project related expenditures*:					
Construction Materials 47%		$7,050	$ 43,738	$ 49,823	$100,611
Real Estate 4%		$ 600	$ 3,722	$ 4,240	$ 8,562
NEPA & Environmental 11%		$1,650	$10,237	$ 11,661	$ 23,548
Project Management 10%		$1,500	$ 9,306	$10,600	$ 21,406
Engineering and Mapping 28%		$4,200	$26,057	$ 29,682	$ 59,939
* based on averages of multiple projects					
Total Project Expenditures		$ 15,000	$ 93,060	$ 106,006	$ 214,066

Minor Construction and Alterations	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation		$ 9,000	$ 7,977	$ 9,397	$ 26,374
Obligation (actual and planned)		$ 9,000	$ 7,977	$ 9,397	$ 26,374
Expenditure (actual and planned)		$ 9,000	$ 7,977	$ 9,397	$ 26,374
Break down of project related expenditures:					
Facility Cost:					
Construction:		$ 8,100	$ 7,179	$ 8,457	$ 23,736
Design and Engineering:		$ 900	$ 798	$ 940	$ 2,638
Total Project Expenditures		$ 9,000	$ 7,977	$ 9,397	$ 26,374

Lease Acquisition Base	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation		$ 9,492	$18,195	$ 9,204	$36,891
Obligation (actual and planned)		$ 9,492	$18,195	$ 9,204	$36,891
Expenditure (actual and planned)		$ 9,492	$18,195	$ 9,204	$36,891
Break down of project related expenditures:					
Facility Cost:					
Other Costs: Auxiliary Costs		$ 9,492	$18,195	$ 9,204	$36,891
Total Project Expenditures		$ 9,492	$18,195	$ 9,204	$36,891

Operations and Maintenance	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation		$ 12,866	$9,498	$ 24,621	$46,985
Obligation (actual and planned)		$ 12,866	$9,498	$ 24,621	$46,985
Expenditure (actual and planned)		$ 12,866	$9,498	$ 24,621	$46,985
Break down of project related expenditures:					
Total Project Expenditures		$ 12,866	$9,498	$ 24,621	$46,985

Planning	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation		$ 2,000	$ 1,980	$ 1,907	$ 5,887
Obligation (actual and planned)		$ 2,000	$ 1,980	$ 1,907	$ 5,887
Expenditure (actual and planned)		$ 2,000	$ 1,980	$ 1,907	$ 5,887
Break down of project related expenditures:					
Total Project Expenditures		$ 2,000	$ 1,980	$ 1,907	$ 5,887

CBP Construction-19

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

Detailed cost estimates for Tactical Infrastructure, Minor Construction and Repairs and Lease Acquisition Base are developed once funding has been obtained and projects have been prioritized. For Major Construction, a typical breakout by phase is below:

Major Construction *(Detailed Breakdown of Project phases)*	Estimate
Planning, Environmental, Site Acquisition (6%)	$ 2,743
Design (6%)	$ 2,743
Site Improvement/Utilities (10%)	$ 4,572
Buildings (35%)	$ 16,002
Auxiliary Costs - cabling, furniture, equipment, security (5%)	$ 2,286
Construction Management (4%)	$ 1,829
Project Management (2%)	$ 914
Contractors General Conditions and Profit (23%)	$ 10,515
Escalation to mid point of construction (4%)	$ 1,829
Contingencies: Construction Phase (5%)	$ 2,286
Project Total:	$ 45,719

6. Method of Performance

Facility and Tactical Infrastructure construction requirements are executed through the Architect-Engineer Resource Center (AERC) of the US Army Corps of Engineers. Through a Memorandum of Agreement, the AERC provides CBP consolidated program management for real estate planning and acquisition, planning and programming, environmental protection, design and cost engineering, construction and warranty enforcement and integrated occupancy services. On many tactical infrastructure projects, National Guard units and the Department of Defense Joint Task Force North perform a portion of the labor. By leveraging their ability to deploy tactical infrastructure required by CBP, significant labor savings are experienced because the Joint Task Force uses the projects as training, therefore the labor costs to CBP are zero.

For facilities and construction projects, the schedule and funding are tracked within the current CBP SAP ERP system. The SAP system includes modules that store specific information on each asset. That information is automatically linked to key information systems and includes modules that cover all aspects of the assets. The real property profile performance data can be used to produce financial, procurement, and real property indices for measuring the performance of the assets. Projects In Progress (facilities and tactical infrastructure) are tracked and reported on a monthly basis by Project Managers in the field. The tracking consists of monitoring the project delivery for construction and leasing through industry standards, including tracking each specific project's schedule, scope, and budget.

The major performance indices include:

1. Facility Condition - Condition surveys are performed on a periodic basis to ascertain the true condition of the asset. A Strategic Resource Assessment will be the primary means by which this information will be generated in the future.

2. Facility Utilization – These indices tracks the square footage of space and the number of FTE's assigned.

3. Operating Costs - These indices tracks the cleaning / janitorial, maintenance and utility costs at the asset level.

4. Mission Dependency – The primary categories include: Mission Critical, Mission Dependent Not Critical, and Non Mission Dependent.

5. Energy Consumption - As part of the Operating Costs Indices, energy consumption and conservation measures are tracked separately.

6. National Historical Preservation Assets - Real Property Assets that could be eligible for the National Historical Preservation List are tracked.

7. Miles of Border Under Operational Control - Evaluate on an annual basis the number of miles under operational control, using the definition of threats and measurements of control developed by OBP Facilities and Operations. Specific criteria and methodology has been developed by OBP and provided to the Sectors, as part of Operations Planning and Analysis. Annual reports will be provided.

7. Related Annual Funding Requirements
(Dollars in Thousands)

	(FY 2007)	
	Current Estimate	Previous Estimate
Major Construction	$104,819	$ 47,953
Tactical Infrastructure	$106,006	$ 15,913
Minor Construction and Repairs	$9,397	$ 9,856
Lease Acquisition	$9,204	$ 9,654
Operations and Maintenance	$24,621	$ 9,630
Planning	$1,907	$ 2,000
Total	$255,954	$ 95,006

8. Budget Allocation to Programs

Program	Allocated Budget ($ thousands)	
	FY 2006	FY 2007
Construction	$277,700	$255,954
Total	$ 277,700	$255,954

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

The construction program complies with the IMMIGRATION AND NATIONALITY ACT (INA), Section 235 Inspection by Immigration Officers; Expedited Removal of Inadmissible Arriving Aliens; Referral For Hearing; Section 287 Powers of Immigration Officers and Employees and in the ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 (IIRIRA)- Section 102 Improvement of Barriers at Border, and the Homeland Security Act of 2002.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Customs and Border Protection
Construction
Funding Schedule
(Dollars in Thousands)

PPA: Construction		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
22.0	Transportation of things	$ 170	$ 158	$ 184	$ 26
23.3	Communication, Utilities, and misc charges	85	79	92	13
25.2	Other Services	69,293	73,922	69,848	(4,074)
25.7	Operation & maintenance	2,975	3,168	3,200	32
31.0	Equipment	4,420	8,833	6,253	(2,580)
32.0	Land and Structures	133,174	211,736	176,377	(35,361)
	Less Unobligated Balance Start of Year	(86,721)	(20,197)	-	20,197
	Unobligated Balance End of Year	20,197	-	-	-
	Total Construction	**$ 143,593**	**$ 277,700**	**$ 255,954**	**$ (21,746)**
Full Time Equivalents		-	-	-	-

Mission Statement

Provide the facilities and tactical infrastructure U. S. Customs and Border Protection needs to perform its enforcement and trade facilitation missions.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Transportation of things	**$ 170**	**$ 158**	**$ 184**	**$ 26**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidents to the transportation of things. The 2006-2007 change reflects minor change in estimated amounts due to different project mixes, $26,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communication, utilities, and misc. charges	**$ 85**	**$ 79**	**$ 92**	**$ 13**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility service. The 2006-2007 change reflects minor change in estimated amounts due to different project mixes, $13,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other services	**$ 69,293**	**$ 73,922**	**$ 69,848**	**$ (4,074)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The 2006-2007 change reflects non-recurring costs -$4,074,000 associated with FY 2006 initiatives.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Operations & maintenance of facilities	**$ 2,975**	**$ 3,168**	**$ 3,200**	**$ 32**

Operations and maintenance includes costs for operation, maintenance, and minor repair of facilities, when done by contract with the private sector or another Federal Government account. The 2006-2007 change reflects minor change in estimated amounts due to different project mixes, $32,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Equipment	**$ 4,420**	**$ 8,833**	**$ 6,253**	**$ (2,580)**

Equipment includes all costs for the purchases of personal property of a durable nature or the installation of equipment when performed under contract. The 2006-2007 change reflects non-recurring costs -$2,580,000 associated with FY 2006 initiatives.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Land and Structures	**$ 133,174**	**$ 211,736**	**$ 176,377**	**$ (35,359)**

Purchase and improvement (additions, alterations, and modifications) of land and structures. The 2006-2007 change reflects non-recurring costs -$35,359,000 associated with FY 2006 initiatives.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Air and Marine Interdiction, Operations, Maintenance, and Procurement

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Fiscal Year 2007

Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST

U.S. CUSTOMS AND BORDER PROTECTION

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Customs and Border Protection
Air and Marine Interdiction, Operation, Maintenance, and Procurement

I. Appropriation Overview

A. Mission Statement:

Customs and Border Protection (CBP) Air is responsible for the protection of the people and critical infrastructure of the United States. CBP Air identifies, deters, interdicts, and investigates acts of terrorism and smuggling arising from unlawful movement of people and goods into and out of the United States with an integrated and coordinated air and marine force. CBP Air has historically conducted missions along the southern borders of the United States, Mexico, South America and the Caribbean. Since September 11, 2001, CBP Air has established a presence along the Northern Border. CBP Air has a staff of over 1,200 pilots, law enforcement officers, operational support, and administrative positions. Mission critical assets consist of aircraft (including fixed wing and rotary helicopters), marine vessels, P-3 surveillance aircraft, surveillance equipment, maintenance facilities and hangers. With the transfer of the Unmanned Aerial Vehicles (UAVs) and Border Patrol assets, U. S. Customs and Border Protection (CBP) will achieve increased effectiveness and economies of scale in the operation, procurement and maintenance of CBP's assets.

B. Budget Activities:

National Air Missions and Operations - Oversees the daily operations of the Coastal field offices and further coordinates enforcement requirements that transcend the boundaries of individual field offices.

P-3 and National Security Missions -
Responsible for those functions at our Center locations that includes the Air and Marine Operations Center, Riverside, CA, the P3 Surveillance Support Branches in Corpus Christi, TX, and Jacksonville, FL, and the National Airspace Security Operations Center, and the Caribbean Air and Marine Operations Center.

Air and Marine Operations Center (AMOC) - The AMOC is located in Riverside, CA and provides CBP Air a 7X24 coordination and communications facility. In addition to fusing 250 Department of Defense (DoD) and Federal Aviation Administration (FAA) radars, the AMOC provides a common operating picture for air domain awareness. The AMOC coordinates their interdiction capability within CBP Air and other federal, state, and local agencies.

Asset Management - Provides oversight for our life cycle maintenance of aircraft and vessels as well as our procurement function. Presently in the procurement stage are three Dash 8 Multi-role Patrol Aircraft, two medium lift helicopters, two light enforcement helicopters, and one multi-role enforcement aircraft. Asset Management oversees the National Marine Center, St. Augustine, FL, vessel maintenance program.

Resource Management – The major administration effort of the headquarters element that encompasses the human resources and budget areas.

CBP Air and Marine Safety, Training and Standards -
Oversees safety programs and centralized training within the Oklahoma City National Aviation Center, OK, and El Paso Flight Operations center, El Paso, TX, which provide advance aviation skills training, tactical training, land and water survival courses, and aircrew standardization and crew coordination. AAL&M also oversees the National Marine Center, St. Augustine, FL, which provides vessel standardization and training for the marine program

C. **Budget Request Summary:**

The Air and Marine Interdiction, Operations, Maintenance, and Procurement requests $337,699,000 for FY 2007 Request. The total adjustments-to-base is a decrease of $58,530,000. There are no program increases.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement

Summary of FY 2007 Budget Estimates by Program/Project Activity

(Dollars in Thousands)

Budget Activity	FY 2005 Actual*		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustment-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Operations and Maintenance	-	$ 196,535	-	$ 260,319	-	$ 265,966	-	$ 5,647	-	-	-	$ 5,647
Unmanned aerial vehicles**	-	-	-	10,180	-	10,353	-	173	-	-	-	173
Procurement	-	61,000	-	125,730	-	61,380	-	(64,350)	-	-	-	(64,350)
Net, Enacted Appropriations and Budget Estimates	-	**$257,535**	-	**$396,229**	-	**$337,699**	-	**($58,530)**	-	$ -	-	**($58,530)**

*The FY 2005 column represents enacted budget authority pursuant to P.L. 108-344.

** In FY 2005 Unmanned aerial vehicles were funded in the Salaries and Expense Appropriation.

III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement
Program Performance Justification
(Dollars in thousands)

PPA: OPERATIONS AND MAINTENANCE

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$196,535**
2006 Enacted	...	...	**260,319**
2007 Adjustment to Base	...	...	5,647
2007 Current Services	...	...	**265,966**
2007 Program Changes	...	...	...
2007 Request	...	...	**265,966**
Total Change 2006-2007	...	...	5,647

CBP requests $266 million for this activity. This is an increase of $5.6 million over FY 2006. Adjustments to base reflect $5.6 million for non-pay inflation and other technical adjustments.

Current Services Program Description:

CBP Air secures the borders against terrorists, acts of terrorism, drug smuggling and other illegal activity by operating air and marine branches at strategic locations along the borders. Multi-mission aircraft with advanced sensors and communications equipment provide powerful interdiction and mobility capabilities directly in support of detecting, identifying and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers. CBP Air utilizes the "system of systems" approach to tie various informational and operational elements together in a law enforcement environment. This established and proven model maximizes the capabilities of air and marine assets through a cohesive joint air operations model for centralized command and control and a responsive and integrated control system for decentralized execution.

CBP Air partners with numerous stakeholders in performing its missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders, source, transit and arrival zone operations, interior law enforcement support and support to other agencies. Truly crosscutting within the Department and the Federal government as a whole, the unique capabilities of CBP Air in bringing air and marine law enforcement expertise to bear through the system of systems

approach serves both as a stand-alone entity and as a force multiplier. In fulfilling the priority mission of CBP to protect the borders, our geographical disposition is focused along the southern tier with recent expansion to the northern border of the United States.

CBP Air's priority mission in FY 2007 is to continue protecting the American people and critical infrastructure by using an integrated and coordinated air and marine force of over 1,200 pilots, fixed wing and rotary helicopters, vessels, P-3 surveillance aircraft, and surveillance equipment, to detect, interdict and prevent acts of terrorism arising from unlawful movement of people and goods across the borders of the United States.

The integration of the two air programs produced a fleet of 253 fixed and rotary winged aircraft. In FY 2007 CBP will use base funding to purchase up to 30 fully equipped helicopters to assist in CBP's border enforcement mission. This is the second installment in CBP's efforts to recapitalize the border enforcement helicopter fleet.

PPA: UNMANNED AERIAL VEHICLES

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Enacted	...	...	**10,180**
2007 Adjustment to Base	...	...	173
2007 Current Services	...	...	**10,353**
2007 Program Changes	...	...	...
2007 Request	...	...	**10,353**
Total Change 2006-2007	...	...	173

CBP requests $10.4 million for this activity. This is an increase of $0.2 million over FY 2006. Adjustments to base reflect $0.2 million for non-pay inflation and other technical adjustments.

Current Services Program Description:

UAV's will continue to be utilized in securing the border of the U.S. by providing operational support primarily along the southwest border along with targeted support on the northern border. CBP was the first Federal law enforcement agency to fly UAVs on a sustained basis, outside of controlled airspace, within the United States. In FY 2005, the first UAV was purchased. The FY 2006 budget includes funding for a second UAV and it is anticipated that the UAV acquisitions will continue into FY 2007.

Since the start of operations in 2004, UAVs have been instrumental in the apprehension of undocumented aliens, the seizure of drugs, and the recovery of stolen vehicles. UAVs have proven effective in locating subjects during the hours of darkness and providing a situational awareness and officer safety capability that is unparalleled.

PPA: PROCUREMENT

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$ 61,000**
2006 Enacted	...	...	**125,730**
2007 Adjustment to Base	...	...	(64,350)
2007 Current Services	...	...	**61,380**
2007 Program Changes	...	...	...
2007 Request	...	...	**61,380**
Total Change 2006-2007	...	...	(64,350)

CBP requests $61.4 million for this activity. This is an decrease of $64.4 million below FY 2006. Adjustments to base reflect $66.5 million of non-recurring costs associated with FY 2006 initiatives, an increase of $2.1 million for non-pay inflation and other technical adjustments.

Current Services Program Description:

CBP Air secures the borders against terrorists, acts of terrorism, drug smuggling and other illegal activity by operating air and marine branches at strategic locations along the borders. Multi-mission aircraft with advanced sensors and communications equipment provide powerful interdiction and mobility capabilities directly in support of detecting, identifying and interdicting suspect conveyances, and apprehending suspect terrorists and smugglers. CBP Air utilizes the "system of systems" approach to tie various informational and operational elements together in a law enforcement environment. This established and proven model maximizes the capabilities of air and marine assets through a cohesive joint air operations model for centralized command and control and a responsive and integrated control system for decentralized execution.

CBP Air partners with numerous stakeholders in performing its missions throughout the continental United States and the Western Hemisphere. This includes domestic operations at the borders, source, transit and arrival zone operations, interior law enforcement support and support to other agencies. Truly crosscutting within the Department and the Federal government as a whole, the unique capabilities of CBP Air in bringing air and marine law enforcement expertise to bear through the system of systems approach serves both as a stand-alone entity and as a force multiplier. In fulfilling the priority mission of CBP to protect the borders, our geographical disposition is focused along the southern tier with recent expansion to the northern border of the United States.

The FY 2006 budget supports the acquisition of additional air assets, improvements in air search capabilities, improvements in aircraft supportability, and the establishment of a third CBP Air Branch along the northern border. New acquisitions will include additional covert surveillance aircraft, replacement helicopters for obsolete and costly single-engine assets, and unmanned aerial vehicles (UAVs), totaling over $44 million. New multi-mode

radars will be procured for CBP P-3 long range tracker aircraft and efforts will begin to extend the service life of the P-3 fleet, with over $30 million allocated for both activities. CBP Air will continue the development of northern border capabilities with the establishment of a branch at Great Falls, Montana, with about $18 million allocated for personnel, facilities, air assets, support equipment, and services. Finally, about $2 million is planned to be spent to begin work on a branch in North Dakota.

CBP Air's priority mission in FY 2007 is to continue protecting the American people and critical infrastructure by using an integrated and coordinated air and marine force of over 1,200 pilots, fixed wing and rotary helicopters, vessels, P-3 surveillance aircraft, and surveillance equipment, to detect, interdict and prevent acts of terrorism arising from unlawful movement of people and goods across the borders of the United States.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Customs and Border Protection
Justification of Proposed Changes in Air and Marine Interdiction, Operations, Maintenance, and Procurement
Appropriation Language

For necessary expenses for the operations, maintenance, and procurement of marine vessels, aircraft, unmanned aerial vehicles, and other related equipment of the air and marine program, including operational training and mission-related travel, and rental payments for facilities occupied by the air or marine interdiction and demand reduction programs, the operations of which include the following: the interdiction of narcotics and other goods; the provision of support to Federal, State, and local agencies in the enforcement or administration of laws enforced by the Department of Homeland Security; and at the discretion of the Secretary of Homeland Security, the provision of assistance to Federal, State, and local agencies in other law enforcement and emergency humanitarian efforts, [$400,231,000] ***$337,699,000***, to remain available until expended: *Provided,* That no aircraft or other related equipment, with exception of aircraft that are one of a kind and have been identified as excess to United States Customs and Border Protection requirements and aircraft that have been damaged beyond repair, shall be transferred to any other Federal agency, department, or office outside of the Department of Homeland Security during fiscal year [2006] ***2007*** without the prior [approval] notification to the Committees on Appropriations of the Senate and the House of Representatives. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement
FY2006 to FY2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	$ 257,535
2006 Revised Enacted	-	-	396,229
Adjustments-to-Base			
Increases			
Non-pay inflation	-	-	7,895
Total Increases	-	-	7,895
Decrease			
Non-recurring costs associated with FY 2006 Initiatives	-	-	(66,425)
Total Decrease	-	-	(66,425)
Total Adjustment-to-Base	-	-	**(58,530)**
2007 Current Services	-	-	**337,699**
Program Changes	-	-	-
2007 Request	-	-	**337,699**
2006 to 2007 Total Change	-	-	$ **(58,530)**

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	-	-	**$ 257,535**
2006 Revised Enacted	-	-	**396,229**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	-	-	7,895
Decreases	-	-	(66,425)
Total Adjustment-to-Base			(58,530)
2007 Current Services	-	-	337,699
Program Changes (See "FY 2006 to FY 2007 Budget Changes" for details)	-	-	-
2007 Total Request	-	-	337,699
2006 to 2007 Total Change			(58,530)

	2006 Revised Enacted			2007 Adjustments-To-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Operations and Maintenance	-	-	$ 260,319	-	-	$ 5,647	-	-	$ -	-	-	$ 265,966	-	-	$ 5,647
Unmanned aerial vehicles	-	-	10,180	-	-	173	-	-	-	-	-	10,353	-	-	173
Procurement	-	-	125,730	-	-	(64,350)	-	-	-	-	-	61,380	-	-	(64,350)
Total	-	-	**$ 396,229**	-	-	**$ (58,530)**	-	-	**$ -**	-	-	**$ 337,699**	-	-	**$ (58,530)**

D. Summary of Reimbursable Resources

Department of Homeland Security
U.S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement
Summary of Reimbursable Resources
(Dollars in Thousands)

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Collections by Source	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
DHS	...	...	250	...	...	250	...	...	250	...	...	..
DHS – FEMA	...	...	4,615	...	...	9,690	...	...	9,690	...	...	...
DOE	...	...	560	...	...	560	...	...	560	...	...	...
FLETC	...	...	13	...	...	...	...	...	...	...	...	...
GSA	...	...	1,500	...	...	1,500	...	...	1,500	...	...	...
Total Budgetary Resources	**...**	**...**	**$6,938**	**...**	**...**	**$12,000**	**...**	**...**	**$12,000**	**...**	**...**	**...**

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Obligations by PPA	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
AMO O&M	...	...	6,938	...	...	12,000	...	...	12,000	...	...	...
Total Obligations	**...**	**...**	**$6,938**	**...**	**...**	**$12,000**	**...**	**...**	**$12,000**	**...**	**...**	**...**

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Class	2005 Actual*	2006 Revised Enacted**	2007 Request	2006-2007 Change
Other Object Classes:				
21.0 Travel	$ 10,698	$ 15,372	$ 15,240	$ (132)
22.0 Transportation of things	955	1,000	942	(58)
23.2 Other Rent	11,166	14,442	14,741	299
25.2 Other Services	52,989	187,262	163,915	(23,347)
26.0 Supplies & materials	64,256	65 644	72,523	6,879
31.0 Equipment	98,695	138,503	70,338	(68,165)
Total, Other Objects Classes	**$ 238,759**	**$ 422,223**	**$ 337,699**	**$ (84,524)**
Total, Direct Obligations	**$ 238,759**	**$ 422,223**	**$ 337,699**	**$ (84,524)**
Recoveries	(8)	-	-	-
Unobligated balance, start of year	$ (7,218)	$ (25,994)	$ -	25,994
Unobligated balance, end of year	$ 25,994	$ -	$ -	-
Total Requirements	**$ 257,535**	**$ 396,229**	**$ 337,699**	**$ (58,530)**

*FY 2005 Obligation spread differs from MAX because final numbers were received after MAX closed.
**FY 2006 Obligation numbers differ from MAX because numbers include carryover.

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing

U. S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Total	In MCL	New Initiative	Budget Activity	Program/s Name
CBP Air Fleet Replacement and Recapitalization	$2,000	$2,000	$0	CBP0002.02	CBP - Air Program Operations and Maintenance
CBP Air Fleet Replacement and Recapitalization	$35,200	$35,200	$0	CBP0004.02	CBP - Air Procurement
Total Non- IT investments $5 million or more	$37,200	$37,200	$0		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$37,200	$37,200	$0		
Total of IT Investments	$0	$0	$0		
Total all IT and Non-IT Investments	$37,200	$37,200	$0		

CBP Air Aircraft Replacement and Recapitalization Program

1. Project Description, Justification and Scope

Customs and Border Protection (CBP) Air protects the Nation's borders and the American public from the drug and terrorist smuggling threats with an integrated and coordinated air and marine interdiction force. To improve fleet efficiency and effectiveness of the rotary-wing fleet, CBP Air has begun replacing its aged fleet of Vietnam-era helicopters with new commercially available Federal Aviation Administration (FAA) type certified aircraft. Commercially available aircraft reduce procurement time and increase availability, ensure manufacturer and vendor commercial-off-the-shelf support, and reduce research and development cost and time. Acquisition of new aircraft and sensor technology will improve operational effectiveness of interdiction operations along the borders and in the transit zone. State-of-the-art sensor technology

will also provide investigative support to Federal, state and local law enforcement officers.

Medium lift helicopters (MLH) carry tactical teams to hotspots of illegal activity, support search and rescue operations, and allow the deployment of agents and resources to remote locations along the Nation's borders. The Black Hawk UH-60A (MLH), on loan from the U.S. Army, is well suited for overland operations due to its range, ruggedness and speed but it is not well suited to counter the maritime smuggling threat because it lacks the necessary equipment for nighttime over-water interdiction operations. UH-1H helicopters are also well suited for overland operations but they too are not well suited for mountainous or maritime patrol operations. High operating costs and a limited number of airframes have adversely impacted the capability of the current fleet of UH-60A and UH-1H helicopters to meet all of the CBP mission requirements. New FAA- certified multi-engine MLHs would improve mission effectiveness and operational availability and versatility.

Light single-engine enforcement helicopters support law enforcement operations that detect and interdict illegal aliens, terrorists and means of terrorism, drugs, and other contraband. A majority of that fleet will no longer be serviceable within the next 5 years. Each year more of the annual operating costs are being expended on upkeep of an aging and obsolete fleet. In addition to the decreasing return on investment associated with operating an aged fleet of aircraft, there is the negative impact on mission accomplishment. This recapitalization program would reverse those trends by deploying replacement assets for border security missions. Moreover, replacement airframes would be less expensive to maintain because they are supported by commercial sector resources and have far less down time per airframe. New helicopters would not only significantly enhance mission effectiveness; their drastically reduced operating costs would "amortize" the investment in a relatively short time.

Light enforcement helicopters (LEH) carry tactical teams to hotspots of illegal activity, support search and rescue operations, and allow the deployment of agents and resources to remote locations along the Nation's borders. They are also optimal aerial surveillance platforms in metropolitan areas because their vertical lift capability and maneuverability enable operations from off-airport sites and in close proximity to congested airports. Electro-optical/infrared sensors and video downlink provide intelligence that enhances covert surveillance operations and improves officer safety during high-risk operations. Video recorders document suspect activities for evidentiary use.

Light observation helicopters (LOH) are used to conduct daylight patrol and surveillance missions along the borders (sign cutting) providing real time intelligence and detection to agents on the ground. The LOH is the optimal platform for this mission because it can operate within close proximity to the ground without disturbing tracks and other telltale activity of human presence.

CBP Air & Marine-15

The LOH fleet is critically deficient in the following areas:

1. The light enforcement helicopters (OH-6s) currently in the fleet are extremely old and in need of replacement. The average age of the Vietnam era OH-6 aircraft is 37 years old. The published useful flight hour life of the OH-6 is 8,000 flight hours; however, more than 66% of the aircraft have exceeded the useful life standard and a few are close to 16,000 flight hours. The age of the aircraft poses a significant safety concern to the pilots and ground agents who are riding in them during mission performance. Structural cracks have recently been discovered in several of the airframes, causing additional safety concerns and, in some cases, rendering them unusable. Because of the extreme age of the aircraft, manufacturers are no longer making replacement parts and several parts, such as the rotor hub sub-assembly, can no longer be refurbished or purchased new or used. As these parts wear out the aircraft become unusable and the fleet will be reduced and the mission severely impacted. Due to the CBP Air's effective maintenance and parts program, they have been able to keep many of the aircraft flying well beyond the industry norm. In fact, CBP Air has the largest fleet in the world of OH-6 aircraft because of their maintenance system. However, since some of the parts are no longer available, no matter how efficient and effective the maintenance program, the LOH fleet and mission will be severely impacted. An additional effect of the age of the OH-6s is the downtime required for maintenance. Because of the age of the airframes and the technology used in the aircraft, their availability is greatly reduced due to scheduled and unscheduled maintenance. The cost of maintenance is also rising with the age of the aircraft and the time spent in the maintenance hanger. Over the past 5 years, the LOH fleet has been unavailable due to maintenance related issues (i.e., non-weather related) for an average of 30% of the time.

2. The capabilities of the current CBP Air light helicopter fleet are inadequate to perform all of the legacy and expanding missions, such as expansion along the Northern Border since 9/11. Aircraft from Branches along the southern tier, which were transferred to support Northern Border requirements, have created a drain of manpower and equipment. As more Sectors go to 24-hour operations, additional aircraft will be required to provide adequate air support. The number of hours flown by the CBP Air operations has also increased in recent years - putting a strain on the fleet. This investment would improve operational efficiencies along both borders and mitigate the adverse impact on other law enforcement missions.

What assumptions are made about this investment and why?

- CBP Air activities and field organizations will continue to operate in the same environments and conditions as current operations.
- Border security operations will be expanded along the Southern and Northern Borders. The current terrorist threat to homeland security is expected to continue and potentially escalate in the future as terrorist groups become more active and attempts can be made to exploit vulnerabilities and threaten key government personnel and the public.

CBP Air & Marine-16

- CBP Air performs mission requirements within the constrictions of diplomatic and environmental laws and regulations.

2. Significant Changes

CBP Air will use $35.2M from base O&M to accelerate this project. An additional $26.2M from Northern Border Initiative base funding will augment this amount for a total of $61.4M.

3. Project Schedule

1. Program Approval Sep 17, 2004
2. Contract Awarded Sep 29, 2004
3. Acquisition Strategy for light single engine helicopter began: Oct 1, 2004
4. Acquisition of 10-12 LOH begins: Oct 1, 2005 - Sep 30, 2006

Completion date: OMB-approved baseline: Sep 30, 2012

Estimated completion date: Sep 30, 2012

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	0	0	20,000	37,200	57,200
Obligation (actual and planned)	0	0	20,000	37,200	57,200
Expenditure (actual and planned)	0				
Break down of project related expenditures:					
Acquisition			20,000	35,200	55,200
Operations and Maintenance				2,000	2,000
Other Costs:					
Total Project Expenditures			20,000	37,200	57,200

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

Not Applicable

CBP Air & Marine-17

6. Method of Performance

1. Is there a project (investment) manager assigned to the investment?
Yes
If so, what is his/her name?
Charles Bourquardez
2. Is there a contracting officer assigned to the investment?
Yes
If so, what is his/her name?
Diane Sahakian
3. Is there an Integrated Project Team?
Yes
If so, list the skill set represented.
The IPT is comprised of individuals from the Office of CBP Air, Office of Finance, Office of Information and Technology, Technology Systems Program Office (TSPO), Office of Chief Counsel and Office of Border Patrol representing systems acquisition, project management, systems engineering, legal review and test and acceptance.
4. Is there a sponsor/owner for this investment?
Yes
If so, identify the sponsor/process owner by name and title and provide contact information.
Michael C. Kostelnik, Assistant Commissioner, Office of CBP Air

CBP Air & Marine-18

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric
2007	DHS Goal: Prevention: Detect, deter and mitigate threats to our homeland. CBP Goal: Preventing Terrorism Between Ports of Entry: Strengthen national security between the ports of entry to prevent the illegal entry of terrorists, terrorist weapons, contraband and illegal aliens into the United States.	72% Aircraft Flight Availability time	Maintain the BP aircraft flight availability rate (time BP aircraft is available for missions) at 72%Note: If additional funding is received for replacement aircraft, increase annual percentage. Also note that if funding is NOT received the annual percentage may decrease due to failing aircraft.		Measured by considering 2 critical factors: weather and maintenance, both of which impact flight availability time. Flight logs track statistics daily. All data is loaded into an internal database. Reports are generated monthly and yearly.
2007	DHS Goal: Prevention: Detect, deter and mitigate threats to our homeland. CBP Goal: Preventing Terrorism Between Ports of Entry: Strengthen national security between the ports of entry to prevent the illegal entry of terrorists, terrorist weapons, contraband and illegal aliens into the United States.	16.5% Rotary Wing Aircraft Maintenance downtime due to maintenance	Maintain Rotary Wing Aircraft Maintenance downtime at 16.5%.		On a monthly basis, track numbers of hours and associated costs to maintain each RW Aircraft through maintenance log books. Review reported totals and develop annual average.
2007	DHS Goal: Prevention: Detect, deter and mitigate threats to our homeland and Objective 2.1 Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity CBP Goal: Preventing Terrorism Between Ports of Entry: Strengthen national security between the ports of entry to prevent the illegal entry of terrorists, terrorist weapons, contraband and illegal aliens into the United States.	96% missions completed by RW aircraft	Maintain 96% of missions completed by RW aircraft		Flight logs track statistics daily, including number of missions completed by RW aircraft. All data is loaded into an internal database. Reports are generated monthly and yearly.

7. Related Annual Funding Requirements
(Dollars in Thousands)

	(FY 2007)	
	Current Estimate	Previous Estimate
Maintenance	2,000	2,000

8. Budget Allocation to Programs

Program	Allocated Budget ($ thousands)	
	FY 2006	FY 2007
Aircraft Replacement	$20,000	$37,200
Total	$20,000	$37,200

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

- 40 CFR (all parts) – Code of Federal Regulations, Protection of the Environment (latest version)
- Executive Order 12144 – Environmental Effects Abroad of Major Federal Actions
- Executive Order 13148 – Greening of the Government Through Leadership in Environmental Management
- Executive Order 13101 – Greening of the Government Through Waste Prevention, Recycling, and Federal Acquisition
- Council on Environmental Quality (CEQ) regulations
- National Environmental Policy Act (NEPA)

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Total	In MCL	New Initiative	Budget Activity	Program/s Name
CBP Air Multi-role Patrol Aircraft	$7,610	$7,610	$0	CBP0004.02	CBP Air Operations Procurement
Total Non- IT investments $5 million or more	$7,610	$7,610	$0		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$7,610	$7,610	$0		
Total of IT Investments	$0	$0	$0		
Total all IT and Non-IT Investments	$7,610	$7,610	$0		

CBP Air Multi-role Patrol Aircraft

2. Project Description, Justification and Scope

Customs and Border Protection (CBP) Air protects the Nation's borders and the American public from the drug and terrorist smuggling threats with an integrated and coordinated air force. To improve fleet efficiency and effectiveness, CBP Air has begun modernizing its fleet by acquiring commercially available FAA certified multi-mission aircraft such as the multi-role patrol aircraft (MPA). The MPA will be equipped with maritime radar, electro-optical/infrared (EO/IR) sensors and roll-on-roll-off technology to support various CBP missions, reduce fleet requirements and improve interoperability and diversity. For example, the MPA will be configured primarily for maritime patrol and enforcement support, but the design will enable reconfiguration to transport 30 personnel and support growth for potential missions such as long-range air tracker and intelligence collection.

The projected scope of this project is to acquire 15 sensor-equipped Dash 8 MPA to improve security of the borders between the ports of entry and reduce the importation of illegal drugs and other materials that are harmful to the public or may damage the American economy. Dash 8 MPA will have the range and endurance to extend the zone of security beyond our Nation's physical borders. This extended border strategy is essential in creating smarter borders through the use of technology, bilateral partnerships with transit zone nations, targeting known maritime smuggling routes, detection and

monitoring of illegal maritime smuggling activities and establishing a layered defense-in-depth strategy.

The most recent Interagency Assessment of Cocaine Movement estimates that more than 600 metric tons of cocaine depart South America for U.S. markets yearly via noncommercial maritime conveyances, such as go-fast and fishing boats. That transportation network is also used to transport terrorists who have fundamental, extreme and irreconcilable disagreements with the founding concepts of the United States. MPA equipped with state-of-the-art technology such as multi-mode surveillance radar and EO/IR sensors are currently the most effective method of detecting and identifying maritime smugglers but there are very few operating and even fewer dedicated to the border security and counter-drug missions.

CBP Air operates six sensor-equipped C-12M aircraft to detect maritime targets within waters adjacent to U.S. borders. Age-related problems and outdated technology have adversely impacted safety, operational readiness and mission effectiveness. Additionally, maritime smugglers have responded to C-12M interdiction capabilities and adjusted their strategies. For example, when drug smugglers learned about the maximum effective range of the C-12M, they changed their tactics to airdrop drugs to awaiting boats beyond that range. Additionally, boats departing South America have altered their transit routes to avoid territorial waters. Those types of smuggling tactics have created mission requirements that exceed the operational capability of the C-12M. MPA with greater range, endurance and payload are required to extend the borders and effectively combat the maritime smuggling threat.

To address the maritime smuggling threat, the FY 2002 Operations and Maintenance budget of the U.S. Customs Service, (now CBP) was increased by $35,000,000 as part of the President's Western Hemisphere Drug Elimination Act (WHDEA) initiative. Recurring WHDEA appropriations were used to acquire 3 new Dash 8 MPA to replace aging C-12M aircraft. As of January 2006, CBP Air has taken possession of one Dash 8 MPA. The remaining two are in production and on schedule. The maintenance costs of this exhibit are the total costs for the MPA program including newly acquired DASH 8 and aged C-12M aircraft.

2. Significant Changes

WHDEA appropriations have been the primary source of funding to acquire MPA, but they have not been exclusively dedicated to that project. WHDEA funding in FY 2007 will be used to support other critical recapitalization efforts. As a result, CBP Air will not acquire another MPA in fiscal year 2007, thus, creating a slip to the original schedule.

3. Project Schedule

12/23/98: Customs RFI for MPA was released to replace the C-12M aircraft
4/5/2001: Subsequent RFI for MPA was released to evaluate new technologies
4/9/2001: Customs FY 2002 President's Budget that included $20 million for a MPA was released
5/11/2001: Evaluation of responses to the RFI was completed
6/1/2001: Draft requirements for proposal (RFP) commenced
8/27/2001: MPA working group comprised of operations and maintenance personnel reviewed & revised draft RFP
9/20/2001: Executive Acquisition Board (EAB) was established to oversee the acquisition process
10/19/2001: Acquisition team appointed by the EAB
11/26/2001: Acquisition team visited NAVAIR and received their acquisition strategy
12/4/2001: Acquisition team visited USAF Comm. Aircraft Acquisition Team and received their acquisition strategy
12/4/2001: Acquisition team visited USAF Big Safari Team and received their acquisition strategy
12/7/2001: Acquisition team visited U.S. Army CECOM and received their acquisition strategy
12/19/2001: A survey was distributed to all of the evaluation participants
1/11/2002: EAB met with Rear Admiral Stillman at USCG headquarters to discuss acquisition strategies
1/29/2002: Customs Capital Investment Review Board approved the acquisition strategy for the MPA
2/15/2002: USAF Big Safari Team submitted a draft memorandum of agreement (MOA) to Customs for review and comment
2/25/2002: NAVAIR submitted a draft MOA to Customs for review and comment
3/06/2002: Acquisition Team submitted a recommendation for Big Safari as acquisition execution agency for MPA
3/22/2002: Assistant Commissioner, Office of Investigations, concurred with recommendations of Acquisition Team
5/22/2002: The FY 2002 Expenditure Plan that included the MPA was approved and funding was released
6/21/2002: A letter of intent was drafted and forwarded to the Commissioner
6/28/2002: The final version of the draft MOA was completed
7/11/2002: Commissioner approved the acquisition strategy for a new MPA
8/01/2002: Big Safari briefed the EAB on their organizational structure and acquisition strategy
8/13/2002: MPA program manager and COTR reviewed performance specification with Big Safari
3/24/2003: Interagency agreement (IA) executed to acquire and modify first MPA
3/17/2004: IA executed to acquire and modify second and third MPA

6/10/2005: Projected delivery of first MPA
6/30/2006: Projected delivery of second MPA
5/31/2007: Projected delivery of third MPA
3/31/2008: Begin acquisition of 4th MPA
3/31/2009: Begin acquisition of 5th MPA
3/31/2010: Begin acquisition of 6th MPA
3/31/2011: Begin acquisition of 7th MPA
3/31/2012: Begin acquisition of 8th MPA
3/31/2013: Begin acquisition of 9th MPA
3/31/2014: Begin acquisition of 10th MPA
3/31/2015: Begin acquisition of 11th MPA
3/31/2016: Begin acquisition of 12th MPA
3/31/2017: Begin acquisition of 13th MPA
3/31/2018: Begin acquisition of 14th MPA
3/31/2019: Begin acquisition of 15th MPA

Completion date: OMB-approved baseline: Sep 30, 2019

Estimated completion date: Sep 30, 2019

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	$59,023	$30,004	$34,548	$7,610	$131,185
Obligation (actual and planned)	$59,023	$30,004	$34,548	$7,610	$131,185
Expenditure (actual and planned)	$0				
Break down of project related expenditures:					
Planning cost:	$800	$400	$25	$0	$1,225
Acquisition Costs – AC and Support Equipment	$48,758	$24,754	$27,500	$0	$101,012
O&M Costs - Dash 8, C12M and C12C	$9,465	$4,850	$7,023	$7,610	$ 28,948
Total Project Expenditures	$59,023	$30,004	$34,548	$7,610	$131,185

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

Not Applicable

6. Method of Performance

1. Is there a project (investment) manager assigned to the investment?
Yes
If so, what is his/her name?
Charles Bourquardez
2. Is there a contracting officer assigned to the investment?
Yes
If so, what is his/her name?
Susan Baptist
3. Is there an Integrated Project Team?
Yes
If so, list the skill set represented.
The IPT is comprised of individuals from the Office of CBP Air, Office of Finance, Office of Information and Technology, Technology Systems Program Office (TSPO), Office of Chief Counsel and Office of Border Patrol representing systems acquisition, project management, systems engineering, legal review and test and acceptance.

4. Is there a sponsor/owner for this investment?
Yes
If so, identify the sponsor/process owner by name and title and provide contact information.
Michael C. Kostelnik, Assistant Commissioner, Office of CBP Air

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2007	DHS 2.1 Prevention: Detect, deter & mitigate threats to our homeland in the transit zone.	Baseline: Dash 8 Aircraft Patrol Hours <10hrs	Increase Dash 8 Aircraft Patrol Hours >10 hrs and maintain minimum 18 hrs C12 usage		Monitor and create metrics reports on actual flight hours per plane, per month.	
2007	DHS 2.1 Prevention: Detect, deter & mitigate threats to our homeland in the transit zone.	Baseline: Projected delivery of 3rd MPA.	Acquire and maintain 3 MPA for Mission ready aircraft support.		Tracking report that indicates the delivery Schedule of all MPA acquisitioned.	
2007	DHS 2.1 Prevention: Detect, deter & mitigate threats to our homeland in the transit zone.	Baseline: Patrol endurance - 4.6 hours	Increase patrol endurance to >10 hours		Document patrol area station time.	
2007	DHS 2.1 Prevention: Detect, deter & mitigate threats to our homeland in the transit zone	Baseline: No launch percentage >5%	Maintain 5% or less "No Launch percentage"		Tracked % derived from statistical data on AMO aircraft launches	

7. Related Annual Funding Requirements

(Dollars in Thousands)

	(FY 2007)	
	Current Estimate	Previous Estimate
O&M	7,610	7,023

8. Budget Allocation to Programs

Program	Allocated Budget ($ thousands)	
	FY 2006	FY 2007
Multi-role Patrol Aircraft	$34,548	$7,610
Total	$34,548	$7,610

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

- 40 CFR (all parts) – Code of Federal Regulations, Protection of the Environment (latest version)
- Executive Order 12144 – Environmental Effects Abroad of Major Federal Actions
- Executive Order 13148 – Greening of the Government Through Leadership in Environmental Management
- Executive Order 13101 – Greening of the Government Through Waste Prevention, Recycling, and Federal Acquisition
- Council on Environmental Quality (CEQ) regulations
- National Environmental Policy Act (NEPA)

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Total	In MCL	New Initiative	Budget Activity	Program/s Name
Unmanned Aerial Vehicles (UAV)	$10,353	$10,353	$0	CBP0002.03	CBP - Unmanned Aerial Vehicles
Total Non-IT Total Non- IT investments $5 million or more	$10,353	$10,353	$0		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$10,353	$10,353	$0		
Total of IT Investments	$0	$0	$0		
Total all IT and Non-IT	$10,353	$10,353	$0		

Unmanned Aerial Vehicle (UAV)

1. Project Description, Justification and Scope

The Secretary of the Department of Homeland Security, in a memorandum dated October 25, 2004, directed the establishment of an operational Unmanned Aerial Vehicle (UAV) capability along the Southern border of the U.S. in FY 2005. This is an ongoing project. However, it does not require construction initiatives, it is prepared in accordance with OMB guidance, and is incrementally funded.

In full support of the Commissioner's priorities, and at the direction of the Secretary of the Department of Homeland Security, the unmanned aerial vehicle pilot program developed an operational capability along the southern border in FY 2005. The program will continue to expand its capability in FY 2006.

Funding would be expended for the UAV service provider, and for coordination with the Federal Aviation Administration, the Department of Defense, the Federal Communications Commission, perspective airspace managers, environmental assessments, required land use agreements, travel, contract support for mission planning and execution, preparation of required documentation to include Letters of Procedure with Range Management Offices, Concept of Operations documents, a Certificate of Authorization application, daily mission summaries and reports.

2. Significant Changes

Changes from what was identified in the information submitted to Congress in the FY 2006 budget reflect additional requirements to support a permanent CBP UAV operational site to include Hangar, Ku Band SATCOM for beyond line of sight control (BLOS) and Government travel.

3. Project Schedule

None.

4. Schedule of Project Funding
(Dollars in Thousands)

	FY 2005	FY 2006	FY 2007	Total
Appropriation	$10,000	$10,180	$10,353	$30,533
Obligation (planned)	$10,000	$10,180	$10,353	$30,533
Expenditure (planned)	$10,000	$10,180	$10,353	$30,533
Break down of project related expenditures				
Acquisition cost:				
UAV Acquisition	$ 7,360	$ 6,762	$ 6,875	$20,997
Hangar (Unfunded)	$ 100			$ 100
Air Traffic Control	$ 90			$ 90
Logistics	$ 100	$ 270	$ 278	$ 648
Environmental Assessment	$ 250			$ 250
Other Costs:				
Technical Services	$ 2,100	$ 3,063	$ 3,109	$ 8,272
Iridium NB SATCOM user account		$ 55	$ 56	$ 111
Ku Band SATCOM Lease (Unfunded)				
Travel (Government)		$ 30	$ 35	$ 65
Total Project Expenditures	$10,000	$10,180	$10,353	$30,533

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

Not Applicable

6. Method of Performance

1. Is there a project (investment) manager assigned to the investment?
Yes
If so, what is his/her name?
Charles Bourquardez
2. Is there a contracting officer assigned to the investment?
Yes
If so, what is his/her name?
Sharon Lim
3. Is there an Integrated Project Team?
Yes
If so, list the skill set represented.
The IPT is comprised of individuals from the Office of CBP Air, Office of Finance, Office of Information and Technology, Technology Systems Program Office (TSPO), Office of Chief Counsel and Office of Border Patrol representing systems acquisition, project management, systems engineering, legal review and test and acceptance.
4. Is there a sponsor/owner for this investment?
Yes
If so, identify the sponsor/process owner by name and title and provide contact information.
Michael C. Kostelnik, Assistant Commissioner, Office of CBP Air

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2007	DHS Prevention Goal 2 and Objective 2.1 Secure our Borders Against Terrorists, Means of Terrorism, Illegal Drugs, and other Illegal Activity	Number of tickets issued with violations: June 18 thru Sept 30, 2004 equaled 210,045 total tickets resulting in 7,374 violations and 203,271 false alarms	Increase the number of tickets issued with violations by 10%, and decrease the number of false alarms by 25%. This will greatly reduce the number of wasted man-hours investigating false alarms, which will cut expenditures for man-hours.		Border Patrol tracks statistics and reports on them monthly and annually using an internal database. Border Patrol shall provide raw data to TSPO, who in turn will prepare meaningful reports of UAV capabilities and effectiveness	
2007	DHS Prevention Goal 2 and Objective 2.1 Secure our Borders Against Terrorists, Means of Terrorism, Illegal Drugs, and other Illegal Activity	June 18 thru Sept 30, 2004 totaled 2,733 pounds of marijuana seized. No current data on heroine and cocaine, baseline thresholds will need to be established on these drug types.	Increase annual average amount of narcotics seizures by 20%: increase in Marijuana-12%; Heroin-50%; Cocaine-8% more seized		Border Patrol tracks statistics and reports on them monthly and annually using an internal database. Border Patrol shall provide raw data to TSPO, who in turn will prepare meaningful reports of UAV capabilities and effectiveness	

7. Related Annual Funding Requirements

(Dollars in Thousands)

	(FY 2007)	
	Current Estimate	Previous Estimate
Technical Services	3,109	3,063
Logistics	278	270
Iridium NB SATCOM user account	56	55

8. Budget Allocation to Programs

Program	Allocated Budget ($ thousands)	
	FY 2006	FY 2007
UAV	$10,180	$10,353
Total	$10,180	$10,353

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

- 40 CFR (all parts) – Code of Federal Regulations, Protection of the Environment (latest version)
- Executive Order 12144 – Environmental Effects Abroad of Major Federal Actions
- Executive Order 13148 – Greening of the Government Through Leadership in Environmental Management
- Executive Order 13101 – Greening of the Government Through Waste Prevention, Recycling, and Federal Acquisition
- Council on Environmental Quality (CEQ) regulations
- National Environmental Policy Act (NEPA)

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Total	In MCL	New Initiativ	Budget Activit	Program/s Name
CBP Air - Northern Border Initiative	$37,092	$37,092	$0	CBP0004.02	CBP - Air Procurement
Total Non - IT investments $5 million or more	$37,092	$37,092	$0		
Total Non-IT initiative under $5 million	$0	$0	$0		
Total Non-IT Investments	$37,092	$37,092	$0		
Total of IT Investment	$0	$0	$0		
Total all IT and Non-I Investments	$37,092	$37,092	$0		

Northern Border Initiative

1. Project Description, Justification and Scope

The purpose of this project is to secure the Northern Border against terrorists, means of terrorism, illegal drugs and other illegal activity by establishing permanent CBP Air Branches at strategic locations along that border. To secure the Northern Border against terrorists, acts of terrorism, drug smuggling and other illegal activity, Customs and Border Protection is establishing CBP Air Branches at strategic locations along that border. New multi-mission aircraft equipped with electro-optical/infrared sensors, weather radar, satellite communications and video downlinks will be acquired to collect, record and transmit real-time imagery to tactical and strategic command and control centers. In a region where terrain, weather, and distance pose significant obstacles to travel between ports, air support serves as a force multiplier because it provides responsive and efficient movement of border agents and equipment. The communications, command and control infrastructure at the Air and Marine Operations Center will also be enhanced to improve connectivity and fill voids in Northern Border radar coverage.

The northern frontier of the United States has historically presented significant response challenges to all Federal agencies and a joint coordinated approach between CBP Air and U.S. Coast Guard (USCG) aviation assets would ensure coordinated Department of Homeland Security enforcement operations, effective command and control, and more efficient utilization of resources. This project would leverage existing USCG assets during the planning phase of this project to maximize synergy and efficiencies between those aviation forces and strengthen the DHS presence on the Northern Border. Sensor-equipped aircraft would support CBP border security mission requirements and emergency response operations in the Northern Border region. In that region where terrain, weather, and distance pose significant obstacles to movement between ports, air support serves as a force multiplier because it provides a rapid-response capability for law enforcement and emergency personnel and equipment. Coverage along the northern tier would mirror the law enforcement coverage that has been achieved along the southern tier.

In FY 2006, the Northern Border Initiative provided $26.2M to acquire two medium lift helicopters (MLH). Since the total acquisition costs are estimated to be $32M, the remaining funds needed to acquire the two helicopters are provided from the Western Hemisphere Drug Elimination Act (WHDEA).

The project funds do not reflect all of the required S&E dollars needed to hire and transfer skilled personnel that would operate and maintain the facilities and equipment. Northern Border Branches are funded from the CBP Air base and the shortfall has impacted Southern border security operations.

2. Significant Changes

CBP Air will use $35.2M from base O&M to accelerate aircraft recapitalization. An additional $26.2M from Northern Border Initiative base funding will augment this amount for a total of $61.4M. This includes a 1% program rescission.

3. Project Schedule

12/1999: Initial concept developed for the establishment of Northern Border Air and Marine Branches
01/2000: Request for information (RFI) developed for MLH
12/2001: RFI developed for MEA
03/2002: Draft concept of operations developed for Northern Border combined mobile response teams
03/2003: Statement of work developed for the MEA
07/2003: Subsequent RFI developed for MLH
09/2003: Statement of work developed for the MLH
11/2003: Interagency agreement executed to modify first MEA
07/2004: New contract, based on previous contract, awarded for LEH
08/2004: Commissioning of Bellingham, Washington, Air and Marine Branch; Delivery of first MEA
09/2004: Commissioning of Plattsburgh, New York, Air and Marine Branch

11/2004: Projected delivery of first LEH
01/2005: Projected delivery of second MEA
03/2005: Projected delivery of second LEH
Completion date: OMB-approved baseline: Sep 30, 2012
Estimated completion date: Sep 30, 2012

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	$54,300	$35,828	$48,474	$37,092	$175,694
Obligation (actual and planned)	$54,300	$35,828	$48,474	$37,092	$175,694
Expenditure (actual and planned)	$0				
Break down of project related expenditures:					
LEH	$12,800			$26,200	$39,000
MLH	$19,700	$18,000	$26,200		$63,900
MEA	$16,000	$3,600	$7,000		$26,600
Acquisition/Modification	$4,400	$6,900	$10,000		$21,300
Recurring Costs		$3,800	$4,000	$9,000	$16,800
Flight Hour Costs		$528	$1,274	$1,892	$3,694
Maintenance Equipment	$1,400	$500			$1,900
AMOC		$2,400			$2,400
Planning		$100			$100
Total Project Expenditures	$54,300	$35,828	$48,474	$37,092	$175,694

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

Not Applicable

CBP-35

6. Method of Performance

1. Is there a project (investment) manager assigned to the investment?
Yes
If so, what is his/her name?
Charles Bourquardez
2. Is there a contracting officer assigned to the investment?
Yes
If so, what is his/her name?
Susan Baptist
3. Is there an Integrated Project Team?
Yes
If so, list the skill set represented.
The IPT is comprised of individuals from the Office of CBP Air, Office of Finance, Office of Information and Technology, Technology Systems Program Office (TSPO), Office of Chief Counsel and Office of Border Patrol representing systems acquisition, project management, systems engineering, legal review and test and acceptance.
4. Is there a sponsor/owner for this investment?
Yes
If so, identify the sponsor/process owner by name and title and provide contact information.
Michael C. Kostelnik, Assistant Commissioner, Office of CBP Air

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2007	DHS 2.1 Prevention (Secure our border against terrorists, means of terrorism, illegal drugs and other illegal activity)	Prior fiscal years FY05-06 baseline will be established by total # of patrol hours documented for the C12 and Dash 8.	Increase monthly hours of patrol to support interdiction to 100 hrs.		Tracking of actual flight hours per plane on a monthly basis.	
2007	DHS 2.1 Prevention (Secure our border against terrorists, means of terrorism, illegal drugs and other illegal activity)	FY06 Baseline total for MLH's are 1. Currently no safety or utility boats have been received.	2 additional MLH delivered by Fall FY07. 3 safety boats, 3 utility boats.		Equipment tracking by airframe.	
2007	DHS 2.1 Prevention (Secure our border against terrorists, means of terrorism, illegal drugs and other illegal activity)	Baseline FY06 Assisted Interdiction hours TBD	Improve assisted interdiction results by 5% annually.		Review tracking log of missions by collaborative agency interdictions.	

7. Related Annual Funding Requirements (Dollars in Thousands)

	(FY 2007)	
	Current Estimate	Previous Estimate
O&M	0	0

8. Budget Allocation to Programs

Program	Allocated Budget ($ thousands)	
	FY 2006	FY 2007
	$48,474	$37,092
Total	$48,474	$37,092

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

- 40 CFR (all parts) – Code of Federal Regulations, Protection of the Environment (latest version)
- Executive Order 12144 – Environmental Effects Abroad of Major Federal Actions
- Executive Order 13148 – Greening of the Government Through Leadership in Environmental Management
- Executive Order 13101 – Greening of the Government Through Waste Prevention, Recycling, and Federal Acquisition
- Council on Environmental Quality (CEQ) regulations
- National Environmental Policy Act (NEPA)

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement
Operations and Maintenance
Funding Schedule
(Dollars in Thousands)

PPA: Operations and Maintenance		2005 Actual*	2006 Revised Enacted	2007 Request	2006-2007 Change
Object Classes:					
21.0	Travel	$ 10,698	$ 15,372	$ 15,240	$ (132)
22.0	Transportation of things	955	1,000	942	(58)
23.2	Other Rent	11,166	14,442	14,741	299
25.2	Other Services	52,989	177,082	153,562	(23,520)
26.0	Supplies & materials	60,256	61,644	68,523	6,879
31.0	Equipment	41,695	16,773	12,958	(3,815)
	Less Unobligated balance, start of year	(7,218)	(25,994)	-	25,994
	Unobligated balance, end of year	25,994	-	-	-
	Total, Operations and Maintenance	**$ 196,535**	**$ 260,319**	**$ 265,966**	**$ 5,647**
Full Time Equivalents		-	-	-	-

FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Mission Statement

CBP Air is responsible for the protection of the people and critical infrastructure of the United States. CBP Air identifies, deters, interdicts, and investigates acts of terrorism and smuggling arising from unlawful movement of people and goods into and out of the United States with an integrated and coordinated air and marine force. CBP Air has historically conducted missions along the southern borders of the United States, Mexico, South America and the Caribbean. Since September 11, 2001, CBP Air has established a presence along the Northern Border. CBP Air has a staff of over 1,200 pilots, law enforcement officers, operational support, and administrative positions. Mission critical assets consist of aircraft (including fixed wing and rotary helicopters), marine vessels, P-3 surveillance aircraft, surveillance equipment, maintenance facilities and hangers. With the transfer of the Unmanned Aerial Vehicles (UAVs) and Border Patrol assets, U. S. Customs and Border Protection (CBP) will achieve increased effectiveness and economies of scale in the operation, procurement and maintenance of CBP's assets.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**$ 10,698**	**$ 15,372**	**$ 15,240**	**$ (132)**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The 2006-2007 change reflects non-recurring costs -$132,000 associated with FY 2006 initiatives.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Transportation of Things (OC 22)	**$ 955**	**$ 1,000**	**$ 942**	**$ (58)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidents to the transportation of things. The 2006-2007 change reflects non-recurring costs -$58,000 associated with FY 2006 initiatives.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Rent (OC 23.2)	$ 11,166	$ 14,442	$ 14,741	$ 299

Payments to a non-Federal source for rental of space, land, and structures. The 2006-2007 change reflects non-pay inflation $299,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	$ 52,989	$ 177,082	$ 153,562	$ (23,520)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The 2006-2007 change reflects carryover from FY 2006 of -$25,994,000 and non-pay inflation increase of $2,474,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Supplies & materials (OC 26.0)	$ 60,256	$ 61,644	$ 68,523	$ 6,879

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction of manufacture, (c) used to form a minor part of equipment of property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The 2006-2007 change reflects non-pay inflation increase of $1,110,000 and $5,769,000 for increased fuel cost.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Equipment (OC 31.0)	$ 41,695	$ 16,773	$ 12,958	$ (3,815)

Equipment includes all costs for the purchases of personal property of a durable nature or the installation of equipment when performed under contract. The FY 2006-2007 change reflects non-pay inflation, $285,000 and non-recurring costs -$4,100,000 associated with FY 2006 initiatives.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement

Unmanned Aerial Vehicles

Funding Schedule

(Dollars in Thousands)

PPA: AMO Unmanned Aerial Vehicles		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Object Classes:					
25.2	Other Services	$ -	$ 10,180	$ 10,353	$ 173
	Total, Unmanned Aerial Vehicles	**$ -**	**$ 10,180**	**$ 10,353**	**$ 173**
Full Time Equivalents		-	-	-	-

Mission Statement

The purpose of this program is to procure, deploy, and operate a system of unmanned aerial vehicles to support the Border Patrol or other components of CBP in accomplishing its mission through augmentation of modern law enforcement techniques, intelligence gathering, and technology. The use of UAVs to monitor remote areas of our northern and southern borders would be a significant step forward in providing security in those areas.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**$ -**	**$ 10,180**	**$ 10,353**	**$ 173**

Other Services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. FY 2007 includes an adjustment for non inflation of $173,000.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Customs and Border Protection
Air and Marine Interdiction, Operations, Maintenance, and Procurement

Procurement

Funding Schedule

(Dollars in Thousands)

PPA: AMO Procurement		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Object Classes:					
26.0	Supplies & materials	$ 4,000	$ 4,000	$ 4,000	$ -
31.0	Equipment	$ 57,000	$ 121,730	$ 57,380	$ (64,350)
	Total, Procurement	**$ 61,000**	**$ 125,730**	**$ 61,380**	**$ (64,350)**
Full Time Equivalents		-	-	-	-

FY 2005 obligations are provided by CBP's Financial system - SAP (Systems, Applications and Products).

Mission Statement

CBP Air is responsible for the protection of the people and critical infrastructure of the United States. CBP Air identifies, deters, interdicts, and investigates acts of terrorism and smuggling arising from unlawful movement of people and goods into and out of the United States with an integrated and coordinated air and marine force. CBP Air has historically conducted missions along the southern borders of the United States, Mexico, South America and the Caribbean. Since September 11, 2001, CBP Air has established a presence along the Northern Border. CBP Air has a staff of over 1,200 pilots, law enforcement officers, operational support, and administrative positions. Mission critical assets consist of aircraft (including fixed wing and rotary helicopters), marine vessels, P-3 surveillance aircraft, surveillance equipment, maintenance facilities and hangers. With the transfer of the Unmanned Aerial Vehicles (UAVs) and Border Patrol assets, U. S. Customs and Border Protection (CBP) will achieve increased effectiveness and economies of scale in the operation, procurement and maintenance of CBP's assets.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Supplies & materials (OC 26.0)	**$ 4,000**	**$ 4,000**	**$ 4,000**	**$ -**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction of manufacture, (c) used to form a minor part of equipment of property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. No change from 2006-2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Equipment (OC 31.0)	**$ 57,000**	**$ 121,730**	**$ 57,380**	**$ (64,350)**

Equipment includes all costs for the purchases of personal property of a durable nature or the installation of equipment when performed under contract. Funding provides for the procurement of aircraft. Decrease reflects non-recurring costs -$64,350,000 associated with FY 2006 initiatives such as, P3 Life Extension, Manned Covert Surveillance, P-3 Surveillance Aircraft, Palletized Sensor Packages, and the Northern Border Air Wing.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

COBRA User Fees

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
Consolidated Omnibus Budget Reconciliation Act (COBRA) User Fees

I. Appropriation Overview

A. Mission Statement for COBRA:

Customs and Border Protection user fees are authorized under Title 19 U.S.C. 58c, fees for certain customs services. The fees were created by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA fees are made available through permanent/indefinite appropriation created by the user fee statute. CBP collects customs inspection fees to cover the cost of providing customs inspections of commercial operations, including, but not limited to, all costs associated with commercial passenger, vessel, vehicle, aircraft, and cargo processing.

The fees are deposited in the Customs and Border Protection User Fee Account (No Year) at the U.S. Treasury. The excess of collections over inspectional overtime and preclearance costs are available without fiscal year limitation, except that $30 million of such excess remains in a contingency fund for use in any year in which receipts are insufficient to cover the costs of providing the services described in the statute.

The COBRA statute mandates that the fee collections be used to pay for (in the order listed):

- All inspectional overtime
- Premium Pay
- Civil Service Retirement and Disability Fund (Agency Contribution)
- Excess Preclearance
- Foreign Language proficiency Awards
- Enhanced Equipment and Support

B. Budget Activities:

Not Applicable

C. Budget Request Summary:

Collections for COBRA Fees in FY 2007 are estimated at $387.8 million, an increase of $22.3 million over FY 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
COBRA User Fees
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted 1/		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
COBRA User Fees	1,412	$324,665	1,412	$365,521	1,412	$387,804	-	$22,283	-	$0	-	$22,283
Subtotal, Budget Authority (All Sources)	1,412	$324,665	1,412	$365,521	1,412	$387,804	-	$22,283	-	$0	-	$22,283
Less Adjustments for Other Funding Sources:												
Total budget estimates	1,412	$ 324,665	1,412	$ 365,521	1,412	$ 387,804	-	$ 22,283	-	$ -	-	$ 22,283

1/ Fee estimates for FY 2006 have been updated to reflect latest annual forecast. Based on strong growth in the airline industry in recent years, a 6.3% growth over 2005 is projected, which has led to a significantly higher estimate than originally projected.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Customs and Border Protection
COBRA User Fee
Program Performance Justification
(Dollars in thousands)

PPA: COBRA User Fee

	Perm. Pos.	FTE	Amount
2005 Actual	**1,412**	**1,412**	**$324,665**
2006 Enacted	**1,412**	**1,412**	**365,521**
2007 Increase in Collections	...	...	22,283
2007 Current Services	**1,412**	**1,412**	**387,804**
2007 Program Changes	...	...	...
2007 Request	**1,412**	**1,412**	**387,804**
Total Change 2006-2007	...	...	22,293

Most of the COBRA User fees have not been raised since original authority was given in the Consolidated Omnibus Budget Reconciliation Act of 1985. The fees are set legislatively and any rate adjustments require a statutory change. This has been amended in P.L. 108-357 Section 892. This extends COBRA's authority to increase fees for up to a ten percent increase in each user fee beginning in FY 2006.

The majority of funds for COBRA fees come from air passenger fees. For FY 2007, the COBRA collection increase reflects the 5.2% expected air passenger growth rate by the International Air Transport Association (IATA).

CURRENT SERVICES PROGRAM DESCRIPTION:

The components of the COBRA User fee account are: international air and sea passenger, commercial trucks, loaded rail cares, commercial vessels, private aircraft and vessels, dutiable mail, customs broker permits, barges/bulk carriers and cruise vessel passenger fees.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
COBRA User Fees
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	1,412	1,412	$324,665
2006 Revised Enacted	1,412	1,412	365,521
Adjustments-to-Base			
Increases			
Technical Adjustments	---	---	22,283
Total Increases	---	---	22,283
Total Adjustments-to-Base	---	---	**22,283**
2007 Current Services	1,412	1,412	387,804
2007 Request	1,412	1,412	387,804
2006 to 2007 Total Change	---	---	**22,283**

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
COBRA User Fees
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	1,412	1,414	$324,665
2006 Revised Enacted	1,412	1,412	365,521
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	22,283
Total Adjustments-to-Base	---	---	22,283
2007 Current Services	1,412	1,412	387,804
2007 Total Request	45	45	387,804
2006 to 2007 Total Change	(1,367)	(1,367)	22,283

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
COBRA	1,412	1,412	$ 365,521	---	---	$ 22,283	---	---	$ ---	1,412	1,412	$ 387,804	---	---	$ 22,283
Total	1,412	1,412	$ 365,521	---	---	$ 22,283	---	---	$ ---	1,412	1,412	$ 387,804	---	---	$ 22,283

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. CUSTOMS AND BORDER PROTECTION
COBRA User Fees
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classification	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Perm Positions	66,014	76,658	76,428	(230)
11.3	Other than perm	2,714	6,729	6,709	(20)
11.5	Other per comp	171,266	182,580	182,033	(547)
12.1	Benefits	57,944	67,420	67,218	(202)
	Total, pers. comp. & benefits	$ 297,938	$ 333,387	$ 332,388	$ (999)
Other Objects:					
21.0	Travel	1,512	6,006	5,988	(18)
22.0	Transportation of things	258	267	266	(1)
23.2	Other rent	2,127	3,269	3,260	(9)
23.3	Communication, Utilities, and misc charges	4,845	10,477	10,446	(31)
24.0	Printing		193	192	(1)
25.1	Advisory & Assistance Services	1,675	3,084	3,075	(9)
25.2	Other Services	9,318	17,166	17,194	28
25.3	Purchase from Govt. Accts.	1,992	3,669	3,658	(11)
25.4	Operation & maintenance of facilities	4	7	7	-
25.7	Operation & maintenance of equipment	3,135	5,773	5,756	(17)
25.9	Relocation Storage	88	243	160	(83)
26.0	Supplies & materials	191	2,614	2,606	(8)
31.0	Equipment	347	2,816	2,808	(8)
	Total other objects	$ 25,492	$ 55,584	$ 55,416	$ (168)
	Total Direct Obligations	$ 323,430	$ 388,971	$ 387,804	$ (1,167)
	Recoveries	(947)			
	Offsetting collections	(210)			
	Unobligated balance, start of year	(690,053)	(692,445)		692,445
	Unobligated balance, end of year unavailable	692,445	668,995		(668,995)
	Total Requirements	$ 324,665	$ 365,521	$ 387,804	$ 22,283

F. Permanent Positions by Grade

The administration of COBRA User Fees is performed by U.S. Customs and Border Protection Agents as part of their normal duties. Positions are incorporated into the CBP Salaries and Expenses account.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection

COBRA User Fees

Funding Schedule
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	66,014	72,038	76,428	4,390
11.3	Other than perm	2,714	6,324	6,709	385
11.5	Other per comp	171,266	171,573	182,032	10,459
12.1	Benefits	57,944	63,355	67,218	3,863
21.0	Travel	1,512	5,644	5,988	344
22.0	Transportation of things	258	251	266	15
23.2	Other rent	2,127	3,072	3,260	188
23.3	Communication, Utilities, and misc charges	4,845	9,845	10,446	601
24.0	Printing		181	192	11
25.1	Advisory & Assistance Services	1,675			-
25.2	Other Services	9,318	28,059	29,769	1,710
25.3	Purchase from Govt. Accts.	1,992			-
25.4	Operation & maintenance of facilities	4			-
25.7	Operation & maintenance of equipment	3,135			-
25.9	Relocation Storage	88	77	82	5
26.0	Supplies & materials	191	2,456	2,606	150
31.0	Equipment	347	2,646	2,808	162
	Total, Direct Obligations	$ 323,430	$ 365,521	$ 387,804	$ 22,283
Full Time Equivalents		1,412	1,412	1,412	$ -

1/ Obligations for FY 2006 Enacted do not include carryover of unobligated balances.

Mission Statement

Customs user fees are authorized under Title 19 U.S.C. 58 c, fees for certain Customs Services. The fees were created by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA fees are made available through permanent/indefinite appropriation created by the user fee statute. CBP collects customs inspection fees to cover the cost of providing customs inspections of commercial operations, including but not limited to, all costs associated with commercial passenger, vessel, vehicle, aircraft, and cargo processing.

(Dollars in Thousands)

Summary Justification and Explanation of Changes

Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) annualized growth rate for FY 2005 through FY 2014, CBP anticipates a 6.2% increase in international passengers. This will result in an increase of $22,284,000 in CBP's share of international fees collected in FY 2007. The breakdown of the increase in fee by object class follows:

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Salaries and Benefits	**$ 297,938**	**$ 313,290**	**$ 332,387**	**$ 19,097**

Salaries and Benefits include costs for 1,412 FTEs.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Travel	**$ 1,512**	**$ 5,644**	**$ 5,988**	**$ 344**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal Travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Transportation of Things	**$ 258**	**$ 251**	**$ 266**	**$ 15**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Rent	**$ 2,127**	**$ 3,072**	**$ 3,260**	**$ 188**

Other rent includes all payments to a non-Federal source for rental space, land and structures.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Communications, Utilities, and miscellaneous	$ 4,846	$ 9,845	$ 10,446	$ 601

Communication, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Printing	$ -	$ 181	$ 192	$ 11

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Advisory and Assistance Services	$ 1,675	$ -	$ -	$ -

Advisory and assistance services include services acquired by contract from non-Federal sources (the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Services	$ 9,318	$ 28,059	$ 29,769	$ 1,710

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Purchase from Government Accounts	$ 1,992	$ -	$ -	$ -

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Operation and maintence of facilities	$ 4	$ -	$ -	$ -

Operation and maintenance of facilies includes all payments for the operation and maintaince of facilities when done by contract with the private sector or another Federal entity

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of equipment	$ 3,136	$ -	$ -	$ -

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done with the private sector or another Federal Government account.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Relocation Storage	$ 88	$ 77	$ 82	$ 5

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Supplies and Materials	$ 191	$ 2,466	$ 2,606	$ 160

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Equipment	$ 347	$ 2,646	$ 2,808	$ 162

Equipment includes all costs for the purchases of personal property of a durable nature or initial installation of equipment when performed under contract

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Immigration Inspection User Fee

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
Immigration User Fees (IUF)

I. Appropriation Overview

A. Mission Statement for Immigration User Fees:

The Department of Justice Appropriation Act of 1987 (P.L. 99-591) authorized the collection of user fees for processing commercial air and sea passengers. This law codified as 8 U.S.C. 1356(h) established the two fees to generate revenues that would reimburse, "the appropriation for expenses incurred by the Attorney General in providing immigration inspection and pre-inspection services for commercial aircraft or vessels."

B. Budget Activities:

Not Applicable

C. Budget Request Summary:

Collections for IUF in FY 2007 are estimated at $529.3 million, an increase of $26.2 million over FY 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
Immigration User Fee
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted 1/		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Immigration User Fee	4,058	$478,997	4,058	$503,137	4,058	$529,300	-	$26,163	-	$0	-	$26,163
Subtotal, Budget Authority (All Sources)	4,058	$478,997	4,058	$503,137	4,058	$529,300	-	$26,163	-	$0	-	$26,163
Less Adjustments for Other Funding Sources:												
Total budget estimates	4,058	$ 478,997	4,058	$ 503,137	4,058	$ 529,300	-	$ 26,163	-	-	-	$ 26,163

1/ Fee estimates for FY 2006 have been updated to reflect latest annual forecast. Based on strong growth in the airline industry in recent years, a 6.3% growth over 2005 was projected, which has led to a significantly higher projection than originally estimated.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Customs and Border Protection
Immigration User Fee
Program Performance Justification
(Dollars in thousands)

PPA: Immigration User Fee

	Perm. Pos.	FTE	Amount
2005 Actual	**4,058**	**4,058**	**$478,997**
2006 Enacted	**4,058**	**4,058**	**503,137**
2007 Increase in Collections	...	...	26,163
2007 Current Services	**4,058**	**4,058**	**$529,300**
2007 Program Changes	...	...	...
2007 Request	**4,058**	**4,058**	**$529,300**
Total Change 2006-2007	...	...	26,163

CBP estimates $529.3 million in fees. This is an increase of $26.2 million over FY 2006 due to CBP's share of an anticipated fee growth. CBP's formula share of total fees is 83 percent, or $529.3 million in 2007. U.S. Immigration and Customs Enforcement includes the remainder of the projected increase (i.e., $8M) within its request.

The total Immigration User Fee level anticipated for FY 2007 is $637.3 million. Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) growth rates for FY 2007 of 5.2% for international passengers, additional fees are estimated to total $34 million in FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

These funds will be used for the maintenance and updating of systems to track criminal and illegal aliens on the border in areas with high apprehensions to deter illegal entry, and the repair, maintenance, and construction of border facilities.

As authorized by law, funds from the immigration user fees are used by CBP and ICE to cover the costs of immigration inspection services. Specifically, the fees cover the costs of immigration personnel, the maintenance and updating of systems to track criminal and illegal aliens on the border in areas with high apprehensions to deter illegal entry, and the repair, maintenance, construction of border facilities, and detention and removal services.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Immigration User Fee
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	4,058	4,058	$478,997
2006 Revised Enacted	4,058	4,058	503,137
Adjustments-to-Base			
Increases			
Technical Adjustments	---	---	26,163
Total Increases	---	---	26,163
Total Adjustments-to-Base	---	---	26,163
2007 Current Services	4,058	4,058	529,300
2007 Request	4,058	4,058	529,300
2006 to 2007 Total Change	---	---	26,163

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Immigration User Fee
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	4,058	4,058	$478,997
2006 Revised Enacted	4,058	4,058	503,137
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	26,163
Total Adjustments-to-Base	---	---	26,163
2007 Current Services	4,058	4,058	529,300
2007 Total Request	4,058	4,058	529,300
2006 to 2007 Total Change	---	---	26,163

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Immigration User Fee	4,058	4,058	$ 503,137	---	---	$ 26,163	---	---	$ ---	4,058	4,058	$ 529,300	---	---	$ 26,163
Total	**4,058**	**4,058**	**$ 503,137**	---	---	$ 26,163	---	---	$ ---	**4,058**	**4,058**	**$ 529,300**	---	---	$ 26,163

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. CUSTOMS AND BORDER PROTECTION
Immigration User Fee
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classification	2005 Actual	2006 Revised Enacted	2007 Request	2007 Change
11.1	Perm Positions	218,305	319,277	247,633	(71,644)
11.3	Other than perm	2,825	4,006	3,107	(899)
11.5	Other per comp	82,217	127,789	99,113	(28,676)
12.1	Benefits	76,803	117,735	91,315	(26,420)
	Total, pers. comp. & benefits	380,150	$ 568,807	$ 441,168	$ (127,639)
Other Objects:					
21.0	Travel	3,313	3,343	2,593	(750)
22.0	Transportation of things	80	163	127	(36)
23.1	GSA rent	32,003	15,178	11,772	(3,406)
23.2	Other rent	512			-
23.3	Communication, Utilities, and misc charges	4,495	1,917	1,486	(431)
24.0	Printing	154	1,484	1,151	(333)
25.2	Other Services	59,085	75,192	58,321	(16,871)
25.7	Operation & maintenance of equipment	16			-
26.0	Supplies & materials	2,008	4,260	3,305	(955)
31.0	Equipment	9,280	12,090	9,377	(2,713)
41.0	Grants/Subsidies/Contributions	204			
	Total, other objects	$ 111,150	$ 113,627	$ 88,132	$ (25,495)
	Total Direct Obligations	$ 491,300	$ 682,434	$ 529,300	$ (153,134)
	Unobligated balance transferred	(38,036)			
	Unobligated balance, start of year	(153,564)	(179,297)		179,297
	Unobligated balance, end of year	179,297			
	Total Requirements	$ 478,997	$ 503,137	$ 529,300	$ 26,163

F. Permanent Positions by Grade

The administration of Immigration User Fees is performed by U.S. Customs and Border Protection Agents as part of their normal duties. Positions are incorporated into the CBP Salaries and Expenses account.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection

Immigration User Fee
PPA
Funding Schedule
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted 1/	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	218,305	235,392	247,633	12,241
11.3	Other than perm	2,825	2,954	3,107	153
11.5	Other per comp	82,217	94,213	99,113	4,900
12.1	Benefits	76,803	86,802	91,315	4,513
21.0	Travel	3,313	2,465	2,593	128
22.0	Transportation of things	80	120	127	7
23.1	GSA rent	32,003	11,191	11,772	581
23.2	Other rent	512			-
23.3	Communication, Utilities, and misc charges	4,495	1,413	1,486	73
24.0	Printing	154	1,094	1,151	57
25.2	Other Services	59,085	55,438	58,321	2,883
25.7	Operations & Maintenance of equipment	16			-
26.0	Supplies & materials	2,008	3,141	3,305	164
31.0	Equipment	9,280	8,914	9,377	463
41	Grants/Subsidies/Contributions	204			-
	Total, Immigration User Fee	491,300	503,137	529,300	$ 26,163
Full Time Equivalents		4,058	$ 4,058	$ 4,058	-

1/ Obligations for FY 2006 Enacted do not include carryover of unobligated balances from FY 2005 in the amount of $179 million.

Mission Statement

The Department of Justice Appropriation Act of 1987 (P.L. 99-591) authorized the collection of user fees for processing commercial air and sea passengers. This law codified as 8 U.S.C. 1356(h) established the two fees to generate revenues that would reimburse "the appropriation for expenses incurred by the Attorney General in providing immigration inspection and pre-inspection services for commercial aircraft or vessels."

(Dollars in Thousands)
Summary Justification and Explanation of Changes

Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) annualized growth rate for FY 2005 through FY 2016, CBP anticipates a 5.2% increase in international passengers. This will result in an increase of $26,163,000 in CBP's share of international fees collected in FY 2007. Breakdown of increase in fees by object class follows:

	2005 Actual	2006 Enacted	FY 2007 Request	2006 to 2007 Change
Salaries and Benefits	$ 380,150	$ 419,361	$ 441,168	$ 21,807

Salaries and Benefits include costs for 4,058 FTEs.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Travel	$ 3,313	$ 2,465	$ 2,593	$ 128

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal Travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Transportation of Things	$ 80	$ 120	$ 127	$ 7

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidents to the transportation of things.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
GSA Rent	$ 32,003	$ 11,191	$ 11,772	$ 581

GSA rent includes all payments to General Services Administration (GSA) for rental of space and rent related services.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Rent	$ 512	$ -	$ -	$ -

Other rent includes all payments to a non-Federal source for rental space, land and structures

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Communications, Utilities, and miscellaneous	$ 4,495	$ 1,413	$ 1,486	$ 73

Communication, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Printing	$ 154	$ 1,094	$ 1,151	$ 57

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Services	$ 59,085	$ 55,438	$ 58,321	$ 2,883

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Operations & maintenance of equipment	$ 16	$ -	$ -	$ -

Operation and maintenace of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Supplies and Materials	$ 2,008	$ 3,141	$ 3,305	$ 164

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Equipment	$ 9,280	$ 8,914	$ 9,377	$ 463

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	$ 204	$ -	$ -	$ -

Grants/subsidies/contributions include cash payments to states, other political subdivisions, corporations, associations, individuals, and contributions to foreign contries, international societies, commissions, proceedings, or projects

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Land Border Inspection Fee



Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
Land Border Inspection Fee

I. Appropriation Overview

A. Mission Statement for Land Border Inspection Fee:

The Department of Justice Appropriation Act of 1990 (P.L. 101-515), as codified as 8 U.S.C. 1356(q), authorizes the fees to recover costs incurred in the following categories involving the operation of various pilot programs:

- Overtime inspection services;
- Expansion, operation and maintenance of information technology systems for nonimmigrant control;
- The hiring of temporary and permanent inspectors;
- Minor construction costs associated with the addition of new traffic lanes;
- Detection of fraudulent travel documents; and
- Administrative expenses of account.

The following fees are deposited into the LBIF account:

- Fingerprint Fees for DCL (FD-258)
- Portpass Program Individual (I-823)
- Portpass Program Replace of Papers (I-823)
- Portpass Program Family (I-823)
- Dedicated Commuter Lane additional vehicle (DCL)
- Arrival/Departure Land Border (I-94)
- Non-Immigrant Visa Waiver (I94W)
- Canadian Boat Landing Permit Individual (I-68)
- Canadian Boat Landing Permit Family (I-68)
- Replacement of Non-resident Mexican Crossing (I-190)
- NEXUS
- SENTRI
- Fast Driver Application Fee

B. Budget Activities:

Not Applicable

C. Budget Request Summary:

Collections for Land Border Inspection Fee in FY 2007 are estimated at $28.1 million, an increase of $4.1 million over FY 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
Land Border Inspection Fee
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted 1/		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Land Border Inspection Fee	292	$25,216	292	$23,969	292	$28,071	-	$4,102	-	$0	-	$4,102
Subtotal, Budget Authority (All Sources)	292	$25,216	292	$23,969	292	$28,071	-	$4,102	-	$0	-	$4,102
Less Adjustments for Other Funding Sources:												
Total budget estimates	292	$ 25,216	292	$ 23,969	292	$ 28,071	-	$ 4,102	-	$ -	-	$ 4,102

1/ Fee estimates for FY 2006 have been updated to reflect latest annual forecast. One of the larger Land Border Inspection fees is collected biannually. Since 2006 will be a year where most users do not pay the fee, the total projections decreased from the original estimate. The other Land Border Inspection fees are projected to grow at a 6.3% rate in FY 2006.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Customs and Border Protection
Land Border Inspection Fee
Program Performance Justification
(Dollars in thousands)

PPA: Land Border Inspection Fee

	Perm. Pos.	FTE	Amount
2005 Actual	**292**	**292**	**$ 25,216**
2006 Enacted	**292**	**292**	**23,969**
2007 Increase in Collections	...	...	4,102
2007 Fee Collections Projected	**292**	**292**	**28,071**
2007 Program Changes	...	...	...
2007 Request	**292**	**292**	**28,071**
Total Change 2006-2007	...	...	4,102

Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) annualized growth rate for FY 2007 through FY 2014, CBP anticipates a 5.2% increase in international passengers. This will result in an increase of $4,102 in Land Border Inspection Fees during FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION

These funds will be used for overtime inspection services; expanding, operation and maintenance of information technology systems for non-immigrant control; hiring temporary inspectors; and administration expenses.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Land Border Inspection Fee
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**292**	**292**	**$25,216**
2006 Revised Enacted	**292**	**292**	**23,969**
Adjustments-to-Base			
Increases			
Technical Adjustments	---	---	4,102
Total Increases	---	---	4,102
Total Adjustments-to-Base	**---**	**---**	**4,102**
2007 Current Services	**292**	**292**	**28,071**
2007 Request	**292**	**292**	**28,071**
2006 to 2007 Total Change	**---**	**---**	**4,102**

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Land Border Inspection Fee
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	292	292	$25,216
2006 Revised Enacted	292	292	23,969
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	4,102
Total Adjustments-to-Base	---	---	4,102
2007 Current Services	292	292	28,071
2007 Total Request	292	292	28,071
2006 to 2007 Total Change	---	---	4,102

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Land Border Inspection Fee	292	292	$ 23,969	---	---	$ 4,102	---	---	$ ---	292	292	$ 28,071	---	---	$ 4,102
Total	292	292	$ 23,969	---	---	$ 4,102	---	---	$ ---	292	292	$ 28,071	---	---	$ 4,102

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. CUSTOMS AND BORDER PROTECTION
Land Border Inspection Fee
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classification	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Perm Positions	15,824	15,791	13,679	(2,112)
11.3	Other than perm	102	102	88	(14)
11.5	Other per comp	13,280	13,448	11,650	(1,798)
12.1	Benefits	2,625	2,619	2,269	(350)
	Total, pers. comp. & benefits	$ 31,831	$ 31,960	$ 27,686	$ (4,274)
Other Objects:					
21.0	Travel	9	8	7	(1)
23.2	Other rent	6			-
23.3	Communication, Utilities, and misc charges	22	24	20	(4)
25.2	Other Services	223	370	321	(49)
26.0	Supplies & materials	24	24	20	(4)
31.0	Equipment	108	19	17	(2)
	Total, other objects	$ 392	$ 445	$ 385	$ (60)
	Total Direct Obligations	$ 32,223	$ 32,405	$ 28,071	$ (4,334)
	Unobligated balance, start of year	(15,443)	(8,436)		8,436
	Unobligated balance, end of year	8,436			
	Total Requirements	$ 25,216	$ 23,969	$ 28,071	$ 4,102

F. Permanent Positions by Grade

The administration of the Land Border Inspection Fee is performed by U.S. Customs and Border Protection Agents as part of their normal duties. Positions are incorporated into the CBP Salaries and Expenses account.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection

Land Border Inspection Fee
PPA
Funding Schedule
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted 1/	2007 Request	2006 - 2007 Change
Object Classes:					
11.1	Perm Positions	$ 15,824	$ 11,680	$ 13,679	1,999
11.3	Other than perm	$ 102	$ 75	$ 88	13
11.5	Other per comp	$ 13,280	$ 9,947	$ 11,650	1,703
12.1	Benefits	$ 2,625	$ 1,937	$ 2,269	332
21.0	Travel	$ 9	$ 6	$ 7	1
23.2	Other rent	$ 6			-
23.3	Communication, Utilities, and misc charges	$ 22	$ 17	$ 20	3
25.2	Other Services	$ 223	$ 278	$ 321	$ 45
26.0	Supplies & materials	$ 24	$ 17	$ 20	3
31.0	Equipment	$ 108	$ 14	$ 17	3
	Total, Direct Obligations	$ 32,223	$ 23,969	$ 28,071	$ 4,102
Full Time Equivalents		292	292	292	

1/ Obligations for FY 2006 Enacted do not include carryover of unobligated balances from FY 2005 in the amount of $8.4 million.

Mission Statement

The Department of Justice Appropriation Act of 1990 (P.L. 101-515) authorized pilot programs, which would charge fees to recover expenses. The law, codified as 8 U.S.C. 1356(q), authorizes the fees to recover costs incurred in overtime inspection services; expansion, operation and maintenance of information technology systems for nonimmigrant control; the hire of temporary and permanent inspectors; minor construction costs associated with the addition of new traffic lanes; detection of fraudulent travel documents; and administrative expenses.

(Dollars in Thousands)
Summary Justification and Explanation of Changes

Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) annualized growth rate for FY 2007 through FY 2014, CBP anticipates a 5.2% increase in international passengers. This will result in an increase of $4,102,000 Land Border Fees during FY 2007.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$ 31,831	$ 23,639	$ 27,686	$ 4,047

Salaries and Benefits include costs for 292 FTEs.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	$ 9	$ 6	$ 7	$ 1

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal Travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other rent	$ 6	$ -	$ -	$ -

Other rent includes all payments to a non-Federal source for rental space, land and structures

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communications, Utilities, and miscellaneous charges	$ 22	$ 17	$ 20	$ 3

Communication, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	$ 223	$ 276	$ 321	$ 45

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies	$ 24	$ 17	$ 20	$ 3

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	$ 108	$ 14	$ 17	$ 3

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Immigration Enforcement Fines

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
IMMIGRATION ENFORCEMENT FINES

I. Appropriation Overview

A. Mission Statement for Immigration Enforcement Fines:

The Immigration Enforcement account was established under Section 382 of the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) of 1996. Previously, similar fines were collected and deposited into the Immigration User Fee account. In addition to creating this account, IIRIRA also added new types of fines, such as those fines levied against aliens for failure to depart the United States after being so ordered.

The authorized uses of this fund consist of: the identification, investigation, apprehension, detention and removal of criminal aliens; the maintenance and updating of systems to track criminal and illegal aliens on the border in areas with high apprehensions to deter illegal entry; and the repair, maintenance, and construction of border facilities.

B. Budget Activities:

Not Applicable

C. Budget Request Summary:

Collections for Immigration Enforcement Fines in FY 2007 are estimated at $1.724 million, an increase of $86,000 over FY 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Summary of FY 2007 Budget Estimates by Program/Project Activity
Department of Homeland Security
U.S. Customs and Border Protection
Immigration Enforcement Fines
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted 1/		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Immigration Enforcement Fines	66	$1,560	66	$1,638	66	$1,724	-	$86	-	$0	-	$86
Subtotal, Budget Authority (All Sources)	66	1,560	66	1,638	66	1,724	-	86	-	0	-	86
Less Adjustments for Other Funding Sources:												
Total budget estimates	66	$ 1,560	66	$ 1,638	66	$ 1,724	-	86	-	$ -	-	$ 86

1/ Fee estimates for FY 2006 have been updated to reflect latest annual forecast. Revised forecast based on fine revenue received in FY 2005.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Customs and Border Protection
Immigration Enforcement Fine Fee
Program Performance Justification
(Dollars in thousands)

PPA: Immigration Enforcement Fine Fee

	Perm. Pos.	FTE	Amount
2005 Actual	**66**	**66**	**$1,560**
2006 Enacted	**66**	**66**	**1,638**
2007 Increase in Collections	...	...	86
2007 Current Services	**66**	**66**	**1,724**
2007 Program Changes	...	...	...
2007 Request	**66**	**66**	**1,724**
Total Change 2006-2007	...	...	86

Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) annualized growth rate for FY 2007 through FY 2014, CBP anticipates a 5.2% increase in international passengers. This will result in an increase of $86,000 in Enforcement Fees during FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

These funds will be used for the maintenance and updating of systems to track criminal and illegal aliens on the border in areas with high apprehensions to deter illegal entry, and the repair, maintenance, and construction of border facilities.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Immigration Enforcement Fines
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**66**	**66**	**$1,560**
2006 Revised Enacted	**66**	**66**	**1,638**
Adjustments-to-Base			
Increases			
Technical Adjustments	---	---	86
Total Increases	---	---	86
Total Adjustments-to-Base	**---**	**---**	**86**
2007 Current Services	**66**	**66**	**1,724**
2007 Request	**66**	**66**	**1,724**
2006 to 2007 Total Change	**---**	**---**	**86**

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Immigration Enforcement Fines
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	66	66	$1,560
2006 Revised Enacted	66	66	1,638
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	$6
Total Adjustments-to-Base	---	---	$6
2007 Current Services	66	66	1,724
2007 Total Request	66	66	1,724
2006 to 2007 Total Change	---	---	$6

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Immigration Enforcement Fines	66	66	$ 1,638	---	---	$ 86	---	---	$ ---	66	66	$ 1,724	---	---	$ 86
Total	66	66	$ 1,638	---	---	$ 86	---	---	$ ---	66	66	$ 1,724	---	---	$ 86

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. CUSTOMS AND BORDER PROTECTION
Immigration Enforcement Fines
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classification	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Perm Positions	3,576	5,602	1,022	(4,580)
11.3	Other than perm	45	71	13	(58)
11.5	Other per comp	995	1,615	293	(1,322)
12.1	Benefits	1,287	2,017	367	(1,650)
	Total, pers. comp. & benefits	$ 5,903	$ 9,305	$ 1,695	$ (7,610)
Other Objects:					
21.0	Travel	3	5	1	(4)
23.2	Other rent	1	-		-
23.3	Communication, Utilllities, and misc charges	17	27	5	(22)
25.2	Other Services	62	96	19	(77)
26.0	Supplies & materials	13	20	4	(16)
31.0	Equipment	1	2		(2)
	Total, other objects	$ 97	$ 150	$ 29	$ (121)
	Total Direct Obligations	$ 6,000	$ 9,455	$ 1,724	$ (7,731)
	Unobligated balance, start of year	(12,257)	(7,817)		7,817
	Unobligated balance, end of year	7,817			
	Total Requirements	$ 1,560	$ 1,638	$ 1,724	$ 86

F. Permanent Positions by Grade

The administration of Immigration Enforcement Fines is performed by U.S. Customs and Border Protection Agents as part of their normal duties. Positions are incorporated into the CBP Salaries and Expenses account.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection

Immigration Enforcement Fines
PPA
Funding Schedule
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted 1/	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	3,576	971	1,022	51
11.3	Other than perm	45	12	13	1
11.5	Other per comp	995	280	293	13
12.1	Benefits	1,287	350	367	17
21.0	Travel	3	1	1	-
23.2	Other rent	1			-
23.3	Communication, Utilities, and misc charges	17	5	5	-
25.2	Other Services	62	15	19	4
26.0	Supplies & materials	13	4	4	-
31.0	Equipment	1	-		-
	Total Direct obligations	$ 6,000	$ 1,638	$ 1,724	86
Full Time Equivalents		66	66	66	-

1/ Obligations for FY 2006 Enacted do not include carryover of unobligated balances from FY 2005 in the amount of $7.8 million.

Mission Statement

The Immigration Enforcement account was established under Section 382 of the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) of 1996. Previously, similar fines were collected and deposited into the Immigration User Fee account. In addition to creating this account, IIRIRA also added new types of fines, such as those fines levied against aliens for failure to depart the United States after being so ordered.

(Dollars in Thousands)
Summary Justification and Explanation of Changes

Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) annualized growth rate for FY 2007 through FY 2014, CBP anticipates a 5.2% increase in international passengers. This will result in an increase of $86,000 in Enforcement Fee Inspection Fees during FY 2007.

The breakdown of increase in fees by object class follows:

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Salaries and Benefits	$ 5,903	$ 1,613	$ 1,695	$ 82

Salaries and Benefits include costs for 66 FTEs.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Travel	$ 3	$ 1	$ 1	$ -

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal Travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Rent	$ 1	$ -	$ -	$ -

Other rent includes all payments to a non-Federal source for rental space, land, and structures

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Communications, Utilities, and miscellaneous charges	$ 17	$ 5	$ 5	$ -

Communication, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Services	$ 62	$ 15	$ 19	$ 4

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Supplies & Materials	$ 13	$ 4	$ 4	$ -

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Equipment	$ 1	$ -	$ -	$ -

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

APHIS User Fees

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
Animal &Plant Health Inspection Service (APHIS) User Fee

I. Appropriation Overview

A. Mission Statement for APHIS:

Section 2509 of the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624) authorized USDA to collect user fees for various services. The law codified as 21 U.S.C. 136 established seven types of Plant Protection and Quarantine (PPQ) user fees, six of which are the Agriculture Quarantine and Inspection (AQI) fees, known to CBP as the APHIS user fees. The six established processing fees are for international air passenger, commercial aircraft clearance, commercial vessel, commercial truck, commercial truck decal and loaded rail car. The revenues from these fees are used to reimburse the full costs incurred in providing the inspectional activities associated with the APHIS user fees.

B. Budget Activities:

Not Applicable

C. Budget Request Summary:

Collections for APHIS Fees in FY 2007 are estimated at $214.3 million, an increase of $3.2 million over FY 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
APHIS User Fees
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted 1/		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
APHIS	1,722	$208,000	1,722	$211,120	1,722	$214,287	-	$3,167	-	$0	-	$3,167
Subtotal, Budget Authority (All Sources)	1,722	$208,000	1,722	$211,120	1,722	$214,287	-	$3,167	-	$0	-	$3,167
Less Adjustments for Other Funding Sources:												
Total budget estimates	1,722	$ 208,000	1,722	$ 211,120	1,722	$ 214,287	-	3,167	-	$ -	-	$ 3,167

1/ Fee estimates for FY 2006 have been updated to reflect latest annual forecast. Updated estimate based on Memorandum of Agreement signed with USDA.

III. Current Services Program Description by PPA

Department of Homeland Security
Customs and Border Protection
APHIS User Fee
Program Performance Justification
(Dollars in thousands)

PPA: APHIS User Fee

	Perm. Pos.	FTE	Amount
2005 Actual	**1,722**	**1,722**	**$208,000**
2006 Enacted	**1,722**	**1,722**	**211,120**
2007 Increase in Collection	...	...	3,167
2007 Current Services	**1,722**	**1,722**	**214,287**
2007 Program Changes	...	...	...
2007 Request	**1,722**	**1,722**	**214,287**
Total Change 2006-2007	...	...	3,167

Based on the Memorandum of Understanding between CBP and Department of Agriculture, CBP anticipates an increase of $3,167,000 in APHIS fees during FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

These funds will be used for international air passenger, commercial aircraft clearance, commercial vessel, commercial truck, commercial truck decal and loaded rail car inspectional activities associated with the APHIS user fees.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
APHIS User Fees
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	1,722	1,722	$208,000
2006 Revised Enacted	1,722	1,722	211,120
Adjustments-to-Base			
Increases			
Technical Adjustments	---	---	3,167
Total Increases	---	---	3,167
Total Adjustments-to-Base	---	---	3,167
2007 Current Services	1,722	1,722	214,287
2007 Request	1,722	1,722	214,287
2006 to 2007 Total Change	---	---	3,167

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
APHIS User Fees
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	1,723	1,723	$208,000
2006 Revised Enacted	1,723	1,723	211,120
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	3,167
Total Adjustments-to-Base	---	---	3,167
2007 Current Services	1,722	1,722	214,287
2007 Total Request	45	45	214,287
2006 to 2007 Total Change	(1,677)	(1,677)	3,167

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
APHIS	1,722	1,722	$ 211,120	---	---	$ 3,167	---	---	$ ---	1,722	1,722	$ 214,287	---	---	$ 3,167
Total	1,722	1,722	$ 211,120	---	---	$ 3,167	---	---	$ ---	1,722	1,722	$ 214,287	---	---	$ 3,167

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. CUSTOMS AND BORDER PROTECTION
APHIS User Fees
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classification	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Perm Positions	97,063	97,859	96,233	(1,626)
11.3	Other than perm	1,053	1,061	1,044	(17)
11.5	Other pers comp	44,114	44,476	43,736	(740)
12.1	Benefits	32,972	33,242	32,689	(553)
	Total, pers. comp. & benefits	$ 175,202	$ 176,638	$ 173,702	$ (2,936)
Other Objects:					
21.0	Travel	2,050	2,066	2,032	(34)
22.0	Transportation of things	21	21	21	-
23.1	GSA rent	9,114	9,188	9,036	(152)
23.2	Other rent	103	104	102	(2)
23.3	Communication, Utililities, and misc charges	1,916	1,932	1,900	(32)
25.2	Other Services	15,514	15,641	15,381	(260)
25.9	Relocation storage	333	336	330	(6)
26.0	Supplies & materials	1,823	1,838	1,807	(31)
31.0	Equipment	10,063	10,145	9,976	(169)
	Total, other objects	$ 40,937	$ 41,271	$ 40,585	$ (686)
	Total Direct Obligations	$ 216,139	$ 217,909	$ 214,287	$ (3,622)
	Recoveries	(10,854)			-
	Offsetting collections	(98)			-
	Unobligated balance, start of year	(3,976)	(6,789)		6,789
	Unobligated balance, end of year	6,789			-
	Total Requirements	$ 208,000	$ 211,120	$ 214,287	$ 3,167

F. Permanent Positions by Grade

The administration of APHIS User Fees is performed by U.S. Customs and Border Protection Agents as part of their normal duties. Positions are incorporated into the CBP Salaries and Expenses account.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection

APHIS User Fees

Funding Schedule
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted 1/	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	97,063	94,811	96,233	1,422
11.3	Other than perm	1,053	1,028	1,044	16
11.5	Other per comp	44,114	43,090	43,736	646
12.1	Benefits	32,972	32,206	32,689	483
21.0	Travel	2,050	2,002	2,032	30
22.0	Transportation of things	21	21	21	0
23.1	GSA rent	9,114	8,902	9,036	134
23.2	Other rent	103	100	102	2
23.3	Communication, Utilities, and misc charges	1,916	1,872	1,900	28
25.2	Other Services	15,514	15,154	15,381	227
25.9	Relocation Storage	333	325	330	5
26.0	Supplies & materials	1,823	1,780	1,807	27
31.0	Equipment	10,063	9,829	9,976	147
	Total, direct obligations	$ 216,139	$ 211,120	$ 214,287	$ 3,167
Full Time Equivalents		1,722	1,722	1,722	-

1/ Obligations for FY 2006 Enacted do not include carryover of unobligated balances from FY 2005 in the amount of $6.8 million.

Mission Statement

Section 2509 of the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624) authorized USDA to collect user fees for various services. The law codified as 21 U.S.C. 136 established seven types of Plant Protection and Quarantine (PPQ) user fees, six of which are the Agricultural Quarantine Inspection (AQI) fees, known to CBP as the APHIS user fees. The revenues from these fees are used to reimburse the full costs incurred in providing the inspectional activities associated with the APHIS user fees.

(Dollars in Thousands)

Summary Justification and Explanation of Changes

Based on the Memorandum of Understanding between CBP and Department of Agriculture, CBP anticipates an increase of $3,167,000 in APHIS Fees during FY 2007. Breakdown of increase in fees by object class follows:

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Salaries and Benefits	$ 175,202	$ 171,135	$ 173,702	$ 2,567

Salaries and Benefits include costs for 1,722 FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Travel	$ 2,050	$ 2,002	$ 2,032	$ 30

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal Travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Transportation of things	$ 21	$ 21	$ 21	$ -

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things. things.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
GSA Rent	$ 9,114	$ 8,902	$ 9,036	$ 134

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Rent	$ 103	$ 100	$ 102	$ 2

Other rent includes all payments to a non-Federal source for rented space, land, and structures.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Communication, Utilities, and misc charges	$ 1,916	$ 1,872	$ 1,900	$ 28

Communication, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Other Services	$ 15,514	$ 15,154	$ 15,381	$ 227

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object 25.

	2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Relocation Storage	$ 333	$ 325	$ 330	$ 5

	2005 Actual	FY 2006 Enacted	FY 2007 Request	2006 to 2007 Change
Supplies & materials	$ 1,823	$ 1,780	$ 1,807	$ 27

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	FY 2006 Enacted	FY 2007 Request	2006 to 2007 Change
Equipment	$ 10,083	$ 9,829	$ 9,976	$ 147

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Small Airport User Fee

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
SMALL AIRPORT USER FEE

I. Appropriation Overview

A. Mission Statement for Small Airport User Fee:

Small Airport Facilities authorized under Title 19 U.S.C. 58b and administered under Title 19 U.S.C. 58c(b)(9)(A)(i)

The User Fee Airports program authorizes inspection services to be provided to participating small airports on a fully reimbursable basis. The fees charged under this program are set forth in a Memorandum of Agreement between the small airport facility and the agency, and may be adjusted annually as costs and requirements change.

B. Budget Activities:

C. Budget Request Summary:

Collections for Small Airport User Fees in FY 2007 are estimated at $6.2 million, an increase of $182,000 over FY 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Customs and Border Protection
Small Airports User Fee
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted 1/		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Small Airports User Fee	45	$5,415	45	$6,048	45	$6,230	-	$182	-	$0	-	$182
Subtotal, Budget Authority (All Sources)	45	$5,415	45	$6,048	45	$6,230	-	$182	-	$0	-	$182
Less Adjustments for Other Funding Sources:												
Total budget estimates	45	$ 5,415	45	$ 6,048	45	$ 6,230	-	$ 182	-	$ -	-	$ 182

1/ Fee estimates for FY 2006 have been updated to reflect latest annual forecast. Revised estimate based on increased fee revenue received in FY 2005.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Customs and Border Protection
Small Airport User Fee
Program Performance Justification
(Dollars in thousands)

PPA: Small Airport User Fee

	Perm. Pos.	FTE	Amount
2005 Actual	**45**	**45**	**$5,415**
2006 Enacted	**45**	**45**	**6,048**
2007 Increase in Collections	...	...	182
2007 Current Services	**45**	**45**	**6,230**
2007 Program Changes	...	...	182
2007 Request	45	45	6,230
Total Change 2006-2007	...	...	182

Based on historical trends, an increase of $182,000 in Small Airport User Fees is anticipated in FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

The User Fee Airports program authorizes inspection services to be provided to participating small airports on a fully reimbursable basis.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Small Airport User Fee
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**45**	**45**	**$5,415**
2006 Revised Enacted	**45**	**45**	**6,048**
Adjustments-to-Base			
Increases			
Technical Adjustments	---	---	182
Total Increases	---	---	182
Total Adjustments-to-Base	**---**	**---**	**182**
2007 Current Services	**45**	**45**	**6,230**
2007 Request	**45**	**45**	**6,230**
2006 To 2007 Total Change	**---**	**---**	**182**

C. Summary of Requirements

U.S. Customs and Border Protection
Small Airport User Fees
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	45	45	$5,415
2006 Revised Enacted	45	45	6,048
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	182
Total Adjustments-to-Base	---	---	182
2007 Current Services	45	45	6,230
2007 Total Request	45	45	6,230
2006 to 2007 Total Change	---	---	182

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Small Airports User Fee	45	45	$ 6,048	---	---	$ 182	---	---	$ ---	45	45	$ 6,230	---	---	$ 182
Total	45	45	$ 6,048	---	---	$ 182	---	---	$ ---	45	45	$ 6,230	---	---	$ 182

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Customs and Border Protection

Small Airports User Fee

Summary of Requirements by Object Class
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes:					
11.1	Perm Positions	3,179	3,551	3,658	107
11.3	Other than perm	140	156	161	5
11.5	Other per comp	913	1,019	1,051	32
12.1	Benefits	837	937	965	28
	Total, pers.comp. & benefits	$5,069	$5,663	$5,835	$172
21.0	Travel	139	155	160	5
22.0	Transportation of things	110	123	125	2
23.1	GSA rent	35	39	40	1
24.0	Printing	18	20	21	1
26.0	Supplies & materials	24	26	27	1
31.0	Equipment	20	22	22	0
	Total, other objects	$346	$385	$395	$10
	Total requirements	$5,415	$6,048	$6,230	$182

FY 2006 had no direct carryover.

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Customs and Border Protection
Small Airports User Fee
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15	---	---	---	---
GS-14	---	---	---	---
GS-13	---	---	---	---
GS-12	1	1	1	---
GS-11	43	43	43	---
GS-10	---	---	---	---
GS-9	1	1	1	---
GS-8	---	---	---	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**45**	**45**	**45**	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	45	45	45	
FTE	**45**	**45**	**45**	---
Headquarters	---	---	---	---
U.S. Field	45	45	45	---
Foreign Field				---
Total Permanent Positions	**45**	**45**	**45**	---
Average ES Salary	$ ---	$ ---	$ ---	$ ---
Average GS Salary	$ 56,711	$ 58,469	$ 59,872	$ 1,403
Average GS Grade	10.98	10.98	10.98	0.01

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection

Small Airports User Fee
PPA
Funding Schedule
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes:					
11.1	Perm Positions	3,179	3,551	3,658	107
11.3	Other than perm	140	156	161	5
11.5	Other per comp	913	1,019	1,051	32
12.1	Benefits	837	937	965	28
21.0	Travel	139	155	160	5
22.0	Transportation of things	110	123	125	2
23.1	GSA rent	35	39	40	1
24.0	Printing	18	20	21	1
26.0	Supplies & materials	24	26	27	1
31.0	Equipment	20	22	22	-
	Total requirements	$ 5,415	$ 6,048	$ 6,230	$ 182
Full Time Equivalents		45	45	45	$ -

FY 2006 had no direct carryover.

Mission Statement

The User Fee Airports program authorizes inspection services to be provided to participating small airports on a fully reimbursable basis. The fees charged under this program are set forth in a Memorandum of Agreement between the small airport facility and the agency, and may be adjusted annually as costs and requirements change.

(Dollars in Thousands)
Summary Justification and Explanation of Changes

Based on a historical trends, an increase of $182,000 is anticipated in FY 2007. The breakdown of this increase in fees by object class follows:

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$ 5,069	$ 5,663	$ 5,835	$ 172

Salaries and Benefits include costs for 45 FTEs.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	$ 139	$ 155	$ 160	$ 5

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal Travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$ 110	$ 123	$ 125	$ 2

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA Rent	$ 35	$ 39	$ 40	$ 1

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and related services.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	$ 18	$ 20	$ 21	$ 1

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies and Materials	$ 24	$ 26	$ 27	$ 1

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	$ 20	$ 22	$ 22	$ -

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U. S. CUSTOMS AND BORDER PROTECTION

Puerto Rico Trust Fund

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CUSTOMS AND BORDER PROTECTION
PUERTO RICO TRUST FUND

I. Appropriation Overview

A. Mission Statement for the Puerto Rico Trust Fund:

Duties and Taxes Related to Puerto Rico authorized under Title 48 U.S.C. 740

The duties and taxes collected in Puerto Rico are paid into the treasury of Puerto Rico to be expended as required by law for the government. CBP oversees the use of these funds and, in cooperation with U.S. Immigration and Customs Enforcement (ICE), has entered into an agreement with the Commonwealth of Puerto Rico for the purposes of enhancing the enforcement of United States laws. Criminal elements have increasingly focused upon Puerto Rico as a port of entry to the United States utilizing this as a gateway to illegally introduce narcotics into the mainland of the United States.

B. Budget Activities:

Not applicable

C. Budget Request Summary:

Collections for Puerto Rico fees in FY 2007 are estimated at $97.8 million, the same as for FY 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Summary of FY 2007 Budget Estimates by Program/Project Activity
Department of Homeland Security
U.S. Customs and Border Protection
Puerto Rico Trust Fund
(Dollars in Thousands)

Budget Activity	FY 2005 Actuals		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Puerto Rico Trust Fund	654	$100,363	654	$97,815	654	$97,815	-	$0	-	$0	-	$0
Subtotal, Budget Authority (All Sources)	654	$100,363	654	$97,815	654	$97,815	-	$0	-	$0	-	$0
Less Adjustments for Other Funding Sources:												
Total budget estimates	654	$ 100,363	654	$ 97,815	654	$ 97,815	-	$ -	-	$ -	-	$ -

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Customs and Border Protection
Puerto Rico Trust Fund
Program Performance Justification
(Dollars in thousands)

PPA: Puerto Rico Trust Fund

	Perm. Pos.	FTE	Amount
2005 Actual	**654**	**654**	**$100,363**
2006 Enacted	**654**	**654**	**97,815**
2007 Increase in Collections	...	...	...
2007 Fee Collections Projected	**654**	**654**	**$ 97,815**
2007 Program Changes	...	...	...
2007 Request	**654**	**654**	**$ 97,815**
Total Change 2006-2007	...	...	...

No increase in fees is anticipated for FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION

The duties and taxes collected in Puerto Rico are paid into the treasury of Puerto Rico to be expended as required by law for the government. CBP oversees the use of these funds and, in cooperation with U.S. Immigration and Customs Enforcement (ICE), has entered into an agreement with the Commonwealth of Puerto Rico for the purposes of enhancing the enforcement of United States laws.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Customs and Border Protection
Puerto Rico Trust Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	654	654	$100,363
2006 Revised Enacted	654	654	97,815
Adjustments-to-Base			
Total Adjustments-to-Base	---	---	---
2007 Current Services	654	654	97,815
2007 Request	654	654	97,815
2006 to 2007 Total Change	---	---	---

C. Summary of Requirements

Department of Homeland Security
U.S. Customs and Border Protection
Puerto Rico Trust Fund
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	654	654	$100,363
2006 Revised Enacted	654	654	97,815
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	---
Total Adjustments-to-Base	---	---	---
2007 Current Services	654	654	97,815
2007 Total Request	654	654	97,815
2006 to 2007 Total Change	---	---	---

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Puerto Rico Trust Fund	654	654	$ 97,815	---	---	$ -	---	---	$ ---	654	654	$ 97,815	---	---	$ ---
Total	654	654	$ 97,815	---	---	$ -	---	---	$ ---	654	654	$ 97,815	---	---	$ ---

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. CUSTOMS AND BORDER PROTECTION
Puerto Rico Trust Fund
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classification		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1	Perm Positions	19,066	16,504	16,504	-
11.3	Other than perm	1,114	964	964	
11.5	Other per comp	1,526	1,321	1,321	-
12.1	Benefits	8,546	7,398	7,398	-
	Total, pers. comp. & benefits	$ 30,252	$ 26,187	$ 26,187	$ -
Other Objects:					
21.0	Travel	761	659	659	-
22.0	Transportation of things	172	149	149	-
23.1	GSA rent	254	220	220	-
23.2	Other rent	17	15	15	-
23.3	Communication, Utilities, and misc charges	1,401	1,212	1,212	-
25.2	Other Services	41,061	35,544	35,544	-
26.0	Supplies & materials	974	843	843	-
31.0	Equipment	1,008	873	873	-
41.0	Grants/Subsidies/Contributions	37,102	32,113	32,113	
	Total, other objects	$ 82,750	$ 71,628	$ 71,628	$ -
	Total Obligatins	$ 113,002	$ 97,815	$ 97,815	$ -
	Recoveries	6			
	Offsetting collections	(12,627)			
	Unobligated balance, start of year	(18)		-	-
	Total Requirements	$ 100,363	$ 97,815	$ 97,815	$ -

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Customs and Border Protection
Puerto Rico
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15	2	2	2	---
GS-14	9	9	9	---
GS-13	30	30	30	---
GS-12	74	74	74	---
GS-11	347	347	347	---
GS-10	---	---	---	---
GS-9	98	98	98	---
GS-8				---
GS-7	66	66	66	---
GS-6	2	2	2	---
GS-5	16	16	16	---
GS-4	3	3	3	---
GS-3	6	6	6	---
GS-2				---
Other Graded Positions				---
Ungraded Positions	1	1	1	---
Total Permanent Positions	**654**	**654**	**654**	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	654	654	654	---
FTE	**654**	**654**	**654**	---
Headquarters	---	---	---	---
U.S. Field	---	---	---	---
Foreign Field	654	654	654	---
Total Permanent Positions	**654**	**654**	**654**	---
Average ES Salary	$ ---	$ ---	$ ---	$ ---
Average GS Salary	$ 49,561	$ 51,098	$ 52,324	$ 1,226
Average GS Grade	10.27	10.27	10.27	0.01

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Customs and Border Protection

Puerto Rico Trust Fund
PPA
Funding Schedule
(Dollars in thousands)

		2005 Actual	2006 Revised Enacted 1/	2007 Request	2006 - 2007 Change
Object Classes:					
11.1	Perm Positions	19,066	16,504	16,504	-
11.3	Other than perm	1,114	964	964	-
11.5	Other per comp	1,526	1,321	1,321	-
12.1	Benefits	8,546	7,398	7,398	-
21.0	Travel	761	659	659	-
22.0	Transportation of things	172	149	149	-
23.1	GSA rent	254	220	220	-
23.2	Other rent	17	15	15	-
23.3	Communication, Utilities, and misc charges	1,401	1,212	1,212	-
25.2	Other Services	41,061	35,544	35,544	-
26.0	Supplies & materials	974	843	843	-
31.0	Equipment	1,008	873	873	-
41	Grants/Subsidies/Contributions	37,102	32,113	32,113	-
	Total requirements	$ 113,002	$ 97,815	$ 97,815	$ -
Full Time Equivalents		654	654	654	$ -

1/ FY 2006 had no direct carryover of unobligated balances.

Mission Statement

The duties and taxes related to Puerto Rico are authorized under Title 48 U.S.C. 740. The duties and taxes collected in Puerto Rico are paid into the treasury of Puerto Rico to be expended as required by law for the government. CBP oversees the use of these funds and, in cooperation with ICE, has entered into an agreement with the Commonwealth of Puerto Rico for the purposes of enhancing the enforcement of the U.S. laws. Criminal elements have increasingly focused upon Puerto Rico as a port of entry to the United States utilizing this as a gateway to illegally introduce narcotics into the mainland of the United States.

(Dollars in Thousands)
Summary Justification and Explanation of Changes

No increase in Puerto Rico fees is anticipated in FY 2007.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$ 30,252	$ 26,187	$ 26,187	$ -

Salaries and Benefits include costs for 654 FTEs.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	$ 761	$ 659	$ 659	$ -

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal Travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$ 172	$ 149	$ 149	$ -

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA Rent	$ 254	$ 220	$ 220	$ -

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and related services.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Rent	$ 17	$ 15	$ 15	$ -

Payments to a non-Federal source for rental of space, land, and structures.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communications, Utilities, and miscellaneous	$ 1,401	$ 1,212	$ 1,212	$ -

Communication, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	$ 41,061	$ 35,544	$ 35,544	$ -

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Based on International Air and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies and Materials	$ 974	$ 843	$ 843	$ -

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	$ 1,008	$ 873	$ 873	$ -

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	$ 37,102	$ 32,113	$ 32,113	$ -

Grants/subsidies/contributions include cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U.S. Customs and Border Protection

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

U.S. Customs and Border Protection

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A. Mission and Description of U.S. Customs and Border Protection

Homeland security is Custom and Border Protection's (CBP) priority mission. Most importantly, that means preventing terrorists and terrorist weapons from entering the United States. An important aspect of this priority mission involves improving security at our borders and ports of entry, but it also means extending our zone of security beyond our physical borders. This extended border strategy is essential to creating smart borders and a layered defense-in-depth strategy.

CBP also continues to perform its traditional missions. These include apprehending individuals attempting to enter the U.S. illegally, stemming the flow of illegal drugs and other contraband, protecting our agricultural and economic interests from harmful pests and diseases, regulating and facilitating international trade, collecting import duties, and enforcing U.S. trade laws.

CBP carries out its primary homeland security mission and its traditional missions without restricting the flow of legitimate trade and travel so important to our nation's economy. CBP has found that by using advance information, risk management and technology, and by partnering with other nations and private industry, these missions need not be mutually exclusive.

CBP's primary field occupations include CBP officers, Border Patrol agents, pilots, marine officers, import and entry specialists, and agricultural specialists. Its field organization is focused around 20 Border Patrol Sectors with 34 permanent border checkpoints and 67 tactical checkpoints between the ports of entry, 142 stations and substations, 20 Field Operations Offices and 322 ports of entry. Field personnel use a mix of air and marine assets, non-intrusive technology such as large-scale X-rays and radiation portal monitors, targeting systems, and automation to ensure the identification and apprehension of high-risk travelers and trade and the facilitation of legitimate traffic.

B. Major Activities and Key Strategic Issues

CBP uses the resources appropriated by Congress to achieve its strategic goals and priorities. During the development of these goals and priorities, careful consideration has been given to the National Strategy for Homeland Security, The Presidential Directive on National Security, the National Drug Control Strategy, Executive Orders, the Department of Homeland Security (DHS) Strategic Plan, and the CBP 2005-2010 Strategic Plan to ensure alignment and mutual support. CBP's investments also reflect the goals and objectives of programmatic plans such as the National Border Patrol Strategy and the Customs-Trade Partnership Against Terrorism (C-TPAT) Strategic Plan. Finally, the results of work done under the President's Management Agenda (PMA) and of evaluations conducted by the Government Accountability Office (GAO), and the Office of the Inspector General and using Performance Assessment Rating Tool (PART) processes have been used to prioritize effort and target capital investments.

Major Activities
To ensure that CBP is focused on carrying out its vital mission, CBP has developed the FY 2005-2010 Strategic Plan based on the priorities and guidance outlined in the various related National Strategies, Strategic Plans and Executive Orders. The CBP Strategic Plan outlines six goals:

1. Preventing Terrorism At Ports of Entry
2. Preventing Terrorism Between Ports of Entry
3. Unifying As One Border Agency
4. Facilitating Legitimate Trade and Travel
5. Protecting America and Its Citizens
6. Modernizing and Managing

CBP developed nine CBP Homeland Security Priorities to focus implementation of these six strategic goals during FY 2006 – FY 2007. Resources appropriated for FY 2006 and requested in FY 2007 President's Budget will be used to fund CBP programs and activities consistent with CBP's six strategic goals and the following nine priorities, which will collectively drive CBP's strategic direction in FY 2006 and FY 2007:

1. Gain operational control over the U.S. land borders between the ports of entry – Using the most effective mix of personnel and technology, aided by strategically placed infrastructure, CBP will markedly increase its detection and apprehension rate between the U.S ports of entry. Key to these efforts, which are essential to preventing terrorist penetration of our borders, will be strong training and recruitment programs for both operational and mission essential support personnel; well-managed technology; facilities and infrastructure deployment; and solid partnerships with other government agencies. Also essential is the integration of air and marine programs to better control the airspace above our land borders, improve marine operations adjacent to our land borders, and enhance our rapid response capabilities.

2. Prevent the entry of terrorists at the ports of entry – By improving our Automated Targeting System (ATS) for passengers focused on terrorist risk factors, extending the Immigration Advisory Program, leveraging pre-departure passenger information, and strengthening consolidated anti-terrorism secondary inspection, CBP will perfect its multi-layered strategy to prevent the entry of terrorists into the United States. CBP will continue to refine its use of

ATS-P (a passenger screening system), Intelligence Driven Special Operations (IDSOs) and alerts.

3. Strengthen supply chain security against the entry of terrorist weapons, including chemical, biological, radiological, nuclear and agriculture terrorist weapons – CBP will work with Domestic Nuclear Detection Office (DNDO), Department of Energy (DOE) and other partners to implement a comprehensive strategy to deter, detect and prevent terrorist weapons and their precursors from entering the U.S., through the deployment of detection technology, international security standards and extension of the U.S. zone of security outward. CBP will work to assure that Container Security Initiative (CSI) and C-TPAT are dynamically upgraded to reach their potential as key elements of our cargo security strategy. This will allow CBP to focus targeting, inspection and enforcement actions on high-risk cargo in the sea, land and air environments while facilitating low risk shipments and conveyances. Further, CBP will implement security technologies, such as improved container seals and the "Smart Box," for use in the international supply chain. CBP will also use the information and processes developed as part of these programs to ensure global security and continuity of operations in our trade lanes.

4. Strengthen risk-based operational decision-making and resource allocation – CBP will enhance its current intelligence, analytical, management, communication and logistical capabilities to ensure that personnel and assets are directed to meet its priority mission and the greatest identified threats quickly and effectively. We will make certain that operations respond to current intelligence using rapid response mechanisms at and between the ports of entry. We will design planning and budgeting processes to reflect risk management principles so that resource allocation directly supports agency priorities.

5. Implement World Customs Organization Framework of Standards – CBP will take the lead in seeing that the World Customs Organization (WCO) Framework is broadly implemented throughout the world, in order to improve the security and facilitation of global trade. These efforts will include a strong capacity building program within CBP to coordinate our own activities within the U.S. and with world aid organizations, as well as with other customs administrations around the world.

6. Increase mechanisms to facilitate legitimate trade and travel – CBP will expand its "Trusted Traveler" programs such as NEXUS, Secure Electronic Network for Traveler's Rapid Inspection (SENTRI) and Free and Secure Trade (FAST) and make processing and support of these programs more efficient through the Global Enrollment System. CBP will launch a trusted air passenger program, United States Passenger Accelerated Service System (US PASS), and enter into appropriate bilateral trusted air passenger programs with other nations, e.g., NEXUS AIR. Further, CBP will continue to refine targeting of cargo and conveyances to ensure that enforcement resources are not spent inspecting low risk trade.

7. Strengthen technology acquisition and deployment – To ensure successful deployment of new technology platforms, CBP will support strong program management offices for its major new technology programs, such as the Automated Commercial Environment (ACE), and the Secure Border Initiative (SBI), which will facilitate the integration of experts in procurement, information and technology systems, planning, measurement and oversight and operational deployment of the technology platforms. These offices are charged with coordinating with stakeholders, navigating the investment and budget processes, identifying requirements,

meeting testing and deployment schedules, overseeing project accountability and firmly managing contractual obligations to meet mission requirements.

8. Strengthen employee base and integrity assurance – In support of its mission and operational activities, CBP will strengthen its human capital resources. CBP will undertake initiatives to strengthen retention, recruitment and support of operational and mission support employees. In addition, CBP managers, many of whom have taken on significant new roles and responsibilities, will be supported by strengthened management training, development and staff support. And CBP will strengthen integrity among our frontline officers by undertaking proactive initiatives to identify and prevent corruption, ensuring that officers know to whom they should report concerns about corruption, and seeing that prompt action is taken in cases of corruption. CBP will also ensure adherence to key antiterrorism policies through the implementation of a robust Management Inspection Division annual plan.

9. Unification as one border agency – CBP will complete all actions needed to create "One Face at the Border," i.e., one unified border agency in the United States. CBP will fully integrate its immigration and entry control authorities to pursue its priority mission and work to rationalize and streamline its authorities in this area. In addition, CBP will complete the integration of its air and marine assets and enhance operational efficiency and effectiveness.

Key Strategic Issues
CBP faces tremendous internal and external challenges in carrying out homeland security and traditional missions mandated by law, and in implementing the CBP strategic goals and priorities. They include:

Combating Terrorism and Crime
Criminals hold distinct advantages over the law enforcement community by using sophisticated international criminal cooperation and the use of legitimate businesses as cover. Terrorists use established smuggling and illegal immigration routes. The capability of criminals to leverage technology to conduct and hide crimes, and to leverage social concerns for privacy and justice challenges the law enforcement community. Increased enforcement efforts at the ports of entry may cause terrorists to shift the focus of criminal efforts toward identified or perceived vulnerabilities between the ports. The globalization of terrorism and crime also requires strong law enforcement partnerships with foreign partners.

Impact of Globalization
The safety of global trade is both an economic issue and a security concern. A weapon of mass destruction or weapon of mass effect, detonated at a United States port of entry, could cause a $1 trillion disruption to the economy. Increased global trade bring more diverse product design and production methods, more stakeholders and modes of transportation, and with all of this, greater opportunities for criminals and terrorists to profit from or disrupt the U.S. economy. CBP will have difficulty effectively enforcing trade rules because of the growing world population and the corresponding purchasing power associated with growth, trade liberalization and uncertain product valuation due to cross-border production and intellectual capital. More duty-free goods will require increased oversight to ensure eligibility for decreased duty rates. To fight illegal trade practices, the government must continue inspecting for illegal imports and enforcing trade laws. Foreign governments, shippers, vendors and the trade community must be relied upon to collect and share information and to assure that supply-chain processes are secure. Increased passenger travel and

trade volumes also lend themselves to being efficient carriers of highly pathogenic influenza, which border management agencies must anticipate and be prepared to control.

Facilitating Travel and Trade While Ensuring Security and Safety
In 2005, 431 million people crossed into the U.S. at ports of entry, 259 million of whom are non-citizens. In addition, approximately 25.3 million rail, truck, and vessel containers were processed. CBP will continue to face the challenge of enhancing mechanisms to facilitate legitimate trade and travel to keep terrorists and their weapons out of the United States. CBP must obtain and improve the quality of advance information to target high-risk travelers and trade, in the face of continued global migration and diverse international passenger travel. The public's expectation of speedy, consistent processing and global trade needs for tailored, speedy delivery will require CBP to find more efficient ways to process passenger, conveyances and freight securely. Key in these efforts will be partnerships with Canada and Mexico, with whom CBP will pursue tightening border security while trying to reduce delays and improve relations.

Technology and Inventions
Innovative technology solutions for monitoring, inspection, information sharing, and enforcement will grow, but will also bring implementation and standardization challenges. A new electronic system for tracking cargo coming into ports will save both shippers and the United States government money, but will require investments by the trade community. Using an integrated solution of technology, supported by staffing and infrastructure, will help to secure operational control of the border. Advanced technology and a distributed, open, wireless, and mobile environment will be available to CBP, but technological advances and new products will also challenge the workforce requiring different skill sets and training.

A Unified CBP Workforce
CBP continues to respond to the challenges posed by reorganization and integration of the homeland security mission, including extension of a new culture, carrying out established priorities, and training employees. In addition, the more general challenges of the 21st Century involve growing workforce complexity, diversity, mobility, continual training, instant electronic connectivity and independence. To ensure the government can prevent and respond to threats to domestic security, federal managers must be able to maintain and upgrade the critical infrastructures needed to accomplish the CBP mission and strategic goals.

C. Resources Requested and Performance Impact

The FY 2007 funding request will allow CBP to fulfill its priority mission of preventing terrorists and terrorist weapons from entering the United States while facilitating travel and trade. Not only will this request provide CBP the opportunity to improve the security at our physical borders and ports of entry, but it will also provide additional means for extending our zone of security beyond our physical borders – so that American borders are not the first line of defense against terrorism. Furthermore, CBP will be able to continue to focus on its traditional mission of enforcing all laws of the United States, including trade, agriculture, and immigration laws at our borders. CBP will continue to reallocate resources from lower to higher priorities to meet its strategic goals and objectives.

Resources Requested
CBP requests a total increase of $646.323 million in FY 2007 over the FY 2006 Revised Enacted Appropriations. This increase in funding will not only allow CBP to maintain current services level, but it will also improve its mission capability by providing additional support for important activities and programs in CBP. In addition to program funding, the FY 2007 budget increase will allow CBP to increase direct FTE from 33,737 to 35,509, including 1,137 FTE for new positions and annualization of 1,000 additional Border Patrol Agents, 258 operational/mission support personnel, and 12 CBP Officers for Container Security Initiative provided by Congress in the FY 2005 Emergency Supplemental and the FY 2006 Appropriations.

Performance Impacts
Funds for program enhancements have significant performance impact for CBP. The following is a list of programs or activities for which CBP seeks additional funding in FY 2007 and its anticipated performance impact:

- National Targeting Center – Enable CBP Officers at the National Targeting Center (NTC) to facilitate field operations and coordinate communications with other DHS subcomponents and other Department agencies to detect, deter, and mitigate threats to our homeland. Additional funding for NTC will increase the response time efficiency and eliminates the need for other agency liaisons at each of the ports of entry.

- Weapons of Mass Destruction Detection Technology Staffing – Enhance CBP's ability to detect illicit radiological materials concealed within shipments, conveyances or containerized cargo entering the United States. Using Radiation Portal Monitors (RPMs) provided by the Domestic Nuclear Detection Office (DNDO), new CBP officers will screen a larger percentage of the commercial cargo and private vehicle traffic while permitting the flow of legitimate trade and travel.

- Immigration Advisory Program/Fraudulent Document Analysis Unit – Expand the Immigration Advisory Program (IAP) to additional foreign locations enabling CBP to identify and intercept high-risk and improperly documented passengers prior to boarding flights bound for the United States. Further, CBP will be able to better remove fraudulent documents from circulation, thereby preventing them from falling into the hands of individuals who pose threats to U.S. security.

- Internal Audit/Procurement Staffing – Improve internal control/audit functions and CBP's procurement process.

- Arizona Border Control Initiative – Strategically place additional personnel, camp details, infrastructure and technologies in high traffic areas to raise the effectiveness of law enforcement operations.

- Increased Border Patrol Presence between POEs – Make significant strides towards achieving operational control of the border by strategically deploying additional Border Patrol Agents in areas of highest priority.

- Secure Border Initiative Technology – Improve surveillance technologies that enable Border Patrol Agents to better detect, locate and identify terrorists, smugglers and illegal aliens;

support Border Patrol Agents' ability to resolve illegal breaches of the border and events-of-interest between the Ports of Entry; and increase the Border Patrol's deterrence capabilities.

- Tactical Infrastructure Western Arizona – Prevent and deter illegal border crossings and provide a force-multiplier by enhancing agent efficiency in responding to and interdicting illegal entrants.

- San Diego Border Infrastructure System – Complete the construction of the final five miles of the San Diego Border Infrastructure System, which will close gaps in the BIS and fully allow Border Patrol to deter, detect and interdict illegal border penetrations in the San Diego urban area.

These program impacts and other performance measure data are used by CBP to assist decision makers in determining both our funding request and our budget execution plans. CBP's responsibility for securing our nation's borders is such a tremendous task that it is critical that CBP invest its resources in programs that are proven to be effective and efficient.

Program evaluations and Office of Management and Budget (OMB) Program Assessment and Rating Tool (PART) findings also play a critical role in resource investment decisions, management action and legislative proposals. CBP has completed four PART reviews: Border Patrol (FY 2005), Container Security Initiative (FY 2005), Inspection Technology (FY 2006), and Border Security, Inspections and Trade Facilitation at the Ports of Entry (FY 2007). In response to the findings of these reviews and other evaluations, CBP has undertaken significant planning efforts that include development of an overarching strategic plan that serves as a guide to the allocation of resources, formalizes performance milestones, and aligns programmatic efforts with strategic goals and priorities.

To address specific PART recommendations, CBP developed long-term performance goals and outcome and efficiency performance measures for all major programs that illustrate program investments. These goals and measures are used as in the resource allocation process to ensure support is provided to programs which produce measurable results or need additional resources to be fully effective, and redirected from less effective programs. Guided by the President's Management Agenda, PART and other evaluation results, and the DHS Future Year's Homeland Security Plan process, CBP is more tightly aligning the investment review process and budget decision-making with the CBP and DHS Strategic Plans, and insights to operations provided by performance measures.

During the review of CSI, one of the earliest PART evaluations, OMB reported that while "CBP had done an excellent job launching this program and partnering with foreign customs administrators and the program has a clear purpose and is well designed," there were few specific long-term performance measures and unclear targets and timeframes. CSI was included in this year's comprehensive PART of Border Security, Inspections and Trade Facilitation at the Ports of Entry (FY 2007), where several performance measures address CSI. In addition, CSI extensively and regularly uses performance measures to evaluate the program's success and identify programmatic issues. Since the FY 2005 PART of CSI, CSI has developed a strategic plan that includes clear goals, objectives and strategies, as well as strong performance measures. While CSI has not requested an increase in funding in the President's Budget, these factors were important in determining the overall level of resources supporting this program.

- In another example, during the preparation of the FY 2007 President's budget, performance impact was identified and assessed, and action was taken on PART recommendations. PART recommendations for the Border Patrol stated CBP needed to develop meaningful performance measures. Since that time, new performance measures have been developed and are used to assess programmatic issues at the entire border, replacing the previous measures that focused primarily to the southwest border. Additionally, the Border Patrol completed a Strategic Plan, which identified strategic goals and objectives, and laid the framework for development of additional performance metrics. The Border Patrol's program performance will be enhanced by the resources requested for the Arizona Border Control Initiative, Increased Border Patrol Presence, Secure Border Initiative Technology, Western Arizona Tactical Infrastructure and the San Diego Border Infrastructure System. CBP believes that these investments will raise the effectiveness of law enforcement operations, increase operational control of the border by resolving illegal breaches of the border and events-of-interest and increase the Border Patrol's deterrence capabilities; and enhance agent efficiency in responding to and interdicting illegal entrants.

- When Inspection Technology was originally PARTed, OMB reported the Inspection Technology program was unable to demonstrate results due to a lack of comprehensive, outcome-based performance measures or ambitious targets for performance goals. The majority of the performance measures for the Inspection Technology program were either "under development" or "new." There were no targets, goals, or actual data from previous years to use to measure future performance. In response to these findings, the Administration has developed useful long-term performance and efficiency measures for this program. Inspection Technology was included in this year's comprehensive PART of (FY 2007), where several performance measures address Inspection Technology. Inspection Technology programs extensively and regularly use performance measures to evaluate their successes and to identify programmatic issues. The development of these measures, their continued use, and validation during the FY 2007 PART was a favorable factor in determining whether an increased level of investment should be proposed in the FY 2007 President's Budget. The performance impact of these funds will be seen in the increased percentage of the commercial cargo and private vehicle traffic screened by CBP officers, while still permitting the flow of legitimate trade and travel.

Overall, lessons learned from previous PART evaluations have improved the management of CBP's programs, through the use of strategic goals and objectives, and linking of performance metrics to these goals. Such progress was shown in the results of the current PART evaluation on Border Security, Inspections and Trade Facilitation at the Ports of Entry, which received an "Effective" rating.

D. How CBP Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

Border Security Inspections and Trade Facilitation at POE's Long Term Performance Goal – Improve the targeting, screening, and apprehension of high-risk international cargo and travelers while providing processes to facilitate the flow of safe and legitimate trade and travel.

2.1 Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity.

6.4 Facilitate the efficient movement of legitimate cargo and people.

Border Security and Control Between POE's Long Term Performance Goal – To gain operational control in areas deemed as high priority for terrorist threat potential or other national security objectives through the establishment of the Operational Requirements-Based Budgeting Program.

2.1 Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Automation Modernization Long Term Performance Goal – Improve the threat and enforcement information available to decision makers from legacy and newly developed systems for the enforcement of trade rules and regulations and facilitation of U.S. trade.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Air and Marine Operations Long Term Performance Goal – Deny the use of air, land and coastal waters for conducting acts of terrorism and other illegal activities against, the United States.

2.1 Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity.

E. Performance Based Budget Highlights by Program

For each FYHSP program, the performance goal, performance measure/s, budget including allocation of non-programmatic overhead, and FTE are:

Program: Border Security Inspections and Trade Facilitation at Ports of Entry						
Performance Goal: Improve the targeting, screening, and apprehension of high - risk international cargo and travelers to prevent terrorist attacks, while providing processes to facilitate the flow of safe and legitimate trade and travel.						
DHS strategic objectives supported and % allocation of activities: 2.1 - 63.0%, 6.4 - 37.0%						
Measure: Air Passengers Compliant with Trade Regulations (%)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	99%	99.2%	99.3%	99.2%	99.0%
	Actual	99%	99.2%	99.01%	N/A	N/A
Measure: Land Border Passengers Compliant with Trade Regulations (%)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	99.8%	99.9%	99.9%	99.9%	99.9%
	Actual	99.9%	99.9%	99.9%	N/A	N/A
Measure: Advanced Passenger Information System (APIS) Data Sufficiency Rate. (Percent)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	94%	94.2%	99.1%	99.2%	99.3%
	Actual	98%	98%	98.6%	N/A	N/A
Measure: Border Vehicle Passengers in Compliance with Agricultural Quarantine Regulations (percent compliant).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	96%	96%	96.4%	94.6%	94.6%
	Actual	96%	96%	93.68%	N/A	N/A
Measure: International Air Passengers in Compliance with Agricultural Quarantine Regulations (percent compliant).	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	97%	97%	97%	97%	97%
	Actual	97%	97%	95.8%	N/A	N/A
Measure: Percent of canines with 100% detection rate (in development)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	98.7%	99.0%	99.0%
	Actual	None	None	99%	N/A	N/A
Measure: Number of foreign mitigated examinations by category	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	10,000	24,000	28,000

	Actual	None	2416	25,222	N/A	N/A
Measure: Percent of worldwide U.S. destined containers processed through Container Security Initiative (CSI) ports	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	68%	81%	86%
	Actual	None	48%	73%	N/A	N/A
Measure: Compliance rate for Customs - Trade Partnership Against Terrorism (C - TPAT) members with the established C - TPAT security guidelines.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	98%	90%	88%
	Actual	None	None	97.0%	N/A	N/A
Measure: Average CBP exam reduction ratio for Customs - Trade Partnership Against Terrorism (C - TPAT) member importers compared to Non - C - TPAT importers.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	3.5 times less	3.5 times less	3.5 times less
	Actual	None	None	4.1 times less	N/A	N/A
Measure: Percent of Sea Containers Examined using Non - Intrusive Inspection Technology (NII)	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	5%	5%	5%	5.25%	5.5%
	Actual	5.3%	5.2%	8.1%	N/A	N/A
Measure: Percent of Truck and Rail Containers Examined using Non - Intrusive Inspection (NII) Technologies	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	10%	10%	10%	10.25%	10.5%
	Actual	15%	26.2%	28.9%	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	2,619,000	2,206,493	2,269,685	2,273,985	2,343,834
	FTE	17,467	17,491	17,874	17,998	18,138

Program: Border Security and Control between Ports of Entry						
Performance Goal: To gain operational control in areas deemed as high priority for terrorist threat potential or other national security objectives through the establishment of the Operational Requirements - Based Budgeting Program.						
DHS strategic objectives supported and % allocation of activities: 2.1 - 73.2%, 2.3 - 26.8%						
Measure: Apprehensions and seizures at checkpoints	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	5 - 10%	5 - 10%	5 - 10%
	Actual	None	None	6.2%	N/A	N/A
Measure: Border Miles Under Operational Control	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	150 miles	338	388
	Actual	None	None	288	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	1,981,000	2,253,767	2,401,016	2,643,981	3,271,266
	FTE	11,745	11,611	13,468	14,457	16,089

Program: Automation Modernization						
Performance Goal: Improve the threat and enforcement information available to decision makers from legacy and newly developed systems for the enforcement of trade rules and regulations and facilitation of U.S. trade.						
DHS strategic objectives supported and % allocation of activities: 2.3 - 100.0%						
Measure: Percent of internal population using ACE functionality to manage trade information	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	8%	14%	26%
	Actual	None	None	8%	N/A	N/A
Measure: Percent of trade accounts with access to ACE functionality to manage trade information	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	1%	4%	11%
	Actual	None	None	1%	N/A	N/A
Measure: Total number of linked electronic sources from CBP and	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	0	4	9

other government agencies for targeting information	Actual	None	None	0	N/A	N/A
Measure: Percent (%) of time the Treasury Enforcement Communication System (TECS) is available to end-users.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	90%	92%	94%
	Actual	None	None	96.15%	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	433,000	438,520	449,909	451,440	461,207
	FTE	11	11	35	62	62

Program: Air and Marine Operations						
Performance Goal: Deny the use of air, land and coastal waters for conducting acts of terrorism and other illegal activities against, the United States.						
DHS strategic objectives supported and % allocation of activities: 2.1 - 100.0%						
Measure: Percentage of no - launches to prevent acts of terrorism and other illegal activities arising from unlawful movement of people and goods across the borders of the United States.	Fiscal Year	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
	Target	None	None	Baseline (estimate)	23%	23%
	Actual	None	None	4.41%	N/A	N/A
Lead Organization: Customs and Border Protection	$ Thousands	0	0	388,971	558,153	497,575
	FTE	0	0	1010	1,220	1,220

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

Budget Activity	FY2005 Actual		FY2006 Revised Enacted		FY2007 Request*		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1. Border Security Inspections and Trade Facilitation at POE's	**17,874**	**2,269,685**	**17,998**	**2,273,985**	**18,138**	**2,343,834**	**140**	**69,850**	**134**	**28,800**	**6**	**41,050**
Headquarters Management and Administration	1,981	586,802	1,981	668,868	2,011	663,943	30	(4,925)	30	4,000	-	(8,925)
Inspections, Trade & Travel Facilitation at POE's	15,379	1,242,800	15,372	1,249,648	15,393	1,282,102	21	32,455	21	6,000	-	26,455
Harbor Maintenance Fee Collection	-	3,000	-	3,000	-	3,026	-	26	-	-	-	26
Container Security Initiative (CSI)	94	126,096	149	137,402	155	139,312	6	1,910	-	-	6	1,910
Other International Programs	100	57,300	100	8,543	100	8,701	-	158	-	-	-	158
C-TPAT/FAST/NEXUS/SENTRI	203	37,828	263	74,515	263	75,909	-	1,394	-	-	-	1,394
Inspection and Detection Technology	71	145,159	71	62,394	124	94,317	53	31,923	53	12,000	-	19,923
Systems for Targeting	7	29,800	8	27,970	8	27,298	-	(672)	-	-	-	(672)
National Targeting Center	39	16,100	54	16,530	84	23,635	30	7,105	30	6,800	-	305
Other Technologies	-	1,000	-	1,008	-	1,027	-	19	-	-	-	19
Training at the Ports of Entry	-	23,800	-	24,107	-	24,564	-	457	-	-	-	457
2. Border Security and Control between POE's	**13,468**	**2,401,016**	**14,457**	**2,643,981**	**16,089**	**3,271,266**	**1,632**	**627,285**	**1,003**	**648,214**	**629**	**(20,929)**
Headquarters Management and Administration	1,513	669,583	1,513	587,782	1,513	594,446	-	6,664	-	-	-	6,664
Border Security and Control between POE's	11,955	1,434,173	12,944	1,725,547	14,576	2,243,619	1,632	518,072	1,003	385,000	629	133,072
Air Program Operations and Maintenance	-	37,300	-	-	-	-	-	-	-	-	-	-
Unmanned Aerial Vehicles	-	10,000	-	-	-	-	-	-	-	-	-	-
America Shield Initiative	-	84,667	-	30,971	-	131,559	-	100,588	-	100,000	-	588
Training Between the Ports of Entry		21,700	-	21,981	-	45,688	-	23,707	-	23,291	-	416
Construction	-	143,593	-	277,700	-	255,954	-	(21,746)	-	139,923	-	(161,669)
3. Automation Modernization	**35**	**449,909**	**62**	**451,440**	**62**	**461,207**	**-**	**9,767**	**-**	**-**	**-**	**9,767**
ACE/ITDS	35	321,690	62	316,800	62	318,490	-	1,690	-	-	-	1,690
COPPS	-	128,219	-	134,640	-	142,717	-	8,077	-	-	-	8,077
4. Air and Marine Interdiction, Operations, Maintenance, and Procurement	**1,010**	**388,971**	**1,220**	**558,153**	**1,220**	**497,575**	**-**	**(60,578)**	**-**	**-**	**-**	**(60,578)**
Air and Marine Operations - Salaries	1,010	131,436	1,220	161,924	1,220	159,876	-	(2,048)	-	-	-	(2,048)
Air and Marine Operations - Procurement	-	257,535	-	396,229	-	337,699	-	(58,530)	-	-	-	(58,530)
Rescission, FY 2004 Enacted Appropriation	-	-	-	-	-	-						
Rescission, Unobligated balances P.L. 108-11	**-**	**(63,010)**	**-**	**-**	**-**	**-**						
Rescission, Unobligated balances P.L. 109.13	**-**	**(76,000)**	**-**	**-**	**-**	**-**						
Subtotal, Discretionary (All Sources)	**32,387**	**5,370,571**	**33,737**	**5,927,559**	**35,509**	**6,573,882**	**1,772**	**646,324**	**1,137**	**677,014**	**635**	**(30,690)**
Small Airports	45	5,004	45	6,048	45	6,230	-	182	-	-	-	182
COBRA	1,412	318,000	1,412	365,521	1,412	387,804	-	22,283	-	-		22,283
Land Border Inspection	292	28,000	292	23,969	292	28,071	-	4,102	-	-		4,102
Immigration User Fee	4,058	429,000	4,058	503,137	4,058	529,300	-	26,163	-	-		26,163
Puerto Rico Trust Fund	654	89,000	654	97,815	654	97,815	-	-	-	-		-
Immigration Enforcement Fines	66	6,000	66	1,638	66	1,724	-	86	-	-		86
Customs Unclaimed Goods	-	8,113	-	7,568	-	15,681	-	-	-	-	-	-
Animal & Plant Health Inspection Services (APHIS)	1,722	204,000	1,722	211,120	1,722	214,287	-	3,167	-	-		3,167
Total, Discretionary and Mandatory	**40,636**	**6,457,688**	**41,986**	**7,144,375**	**43,758**	**7,854,794**	**1,772**	**702,307**	**1,137**	**677,014**	**635**	**25,293**

* Funding for NEXUS/SENTRI in FY 2005 is included in "Inspections, Trade & Travel Facilitation at POE's" PPA.

Department of Homeland Security

U.S. Immigration and Customs Enforcement

Fiscal Year 2007

Overview
Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	12,427	$2,748,745	14,024	$3,090,414	15,331	$3,902,291	1,307	$811,877	681	$550,258	626	$261,619
Protection of Federal Assets	1,367	436,414	1,438	487,000	1,438	516,011	---	29,011	---	---	---	29,011
Automation Modernization	---	1,240	---	39,748	---	---	---	(39,748)	---	---	---	(39,748)
Construction	9	25,338	9	26,281	9	26,281	---	---	---	---	---	---
Breached Bond Detention Fund	11	113,957	63	87,000	63	90,000	---	3,000	---	---	---	3,000
User Fee	183	91,789	276	100,000	276	108,000	---	8,000	---	---	---	8,000
Student Exchange Visitor Program	13	31,802	107	49,000	121	54,349	14	5,349	---	---	14	5,349
Subtotal, Enacted Appropriations and Budget Estimates	**14,010**	**$3,449,285**	**15,917**	**$3,879,443**	**17,238**	**$4,696,932**	**1,321**	**$817,489**	**681**	**$550,258**	**640**	**$267,231**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**14,010**	**$3,449,285**	**15,917**	**$3,879,443**	**17,238**	**$4,696,932**	**1,321**	**$817,489**	**681**	**$550,258**	**640**	**$267,231**

ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Homeland and Non-Homeland Allocation
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Enforcement & Protection	7,804	$1,324,000	1,154	$197,567	8,958	$1,521,567	8,397	$1,319,000	1,253	$197,464	9,650	$1,516,464	8,933	$1,663,000	1,333	$248,490	10,266	$1,911,490
Detention & Removal	3,315	1,119,000	487	166,977	3,802	$1,285,977	3,805	1,369,000	569	204,950	4,374	1,573,950	4,407	1,732,000	658	258,801	5,065	$1,990,801
Total Salaries and Expense	11,119	2,443,000	1,641	364,544	12,760	2,807,544	12,202	2,688,000	1,822	402,414	14,024	3,090,414	13,340	3,395,000	1,991	507,291	15,331	3,902,291
Federal Protective Service	1,438	478,000			1,438	478,000	1,438	487,000			1,438	487,000	1,438	516,011			1,438	516,011
Automation Modernization	---	39,605	---	---	---	39,605	---	39,748	---	---	---	39,748	---	---	---	---	---	---
Construction	9	26,179	---	---	9	26,179	9	26,281	---	---	9	26,281	9	26,281	---	---	9	26,281
Total Direct Appropriations and Budget Estimates	**12,566**	**2,986,784**	**1,641**	**364,544**	**14,207**	**3,351,328**	**13,649**	**3,241,029**	**1,822**	**402,414**	**15,471**	**3,643,443**	**14,787**	**3,937,292**	**1,991**	**507,291**	**16,778**	**4,444,583**
Fee Accounts	393	230,000			393	230,000	446	236,000			446	236,000	460	252,349			460	252,349

iii. Status of Congressionally Requested Studies and Reports TAB C

Department of Homeland Security
U.S. Immigration and Customs Enforcement

Status of Congressionally Requested Studies, Reports, and Evaluations

1. House Report 108-541, page 33, directs ICE to conduct a review of its detention programs, and evaluate the benefits and costs associated with developing a national detention contract. The report should list current facilities and contracts with associated staffing levels, assess the option of regional facilities, and weigh benefits and costs associated with such plans. **Target response to Committee is February 24.**

2. Senate Report 108-280, page 25, directs ICE to submit a quarterly report that compares the number of deportation, exclusion, and removal orders sought and obtained by ICE. The report should be broken down by district in which the removal order was issued; by type of order; by agency issuing the order; by the number of cases in each category in which ICE has successfully removed the alien; and by the number of cases in each category in which ICE has not removed the alien. **Target response to Committee is February 24.**

3. Senate Reprogramming Approval, dated May 20, 2005, directs DHS to provide updates on the fiscal status of ICE, while the management situation within ICE is being resolved. **Target response to Committee is February 24.**

4. House Report 109-79 directs the Secretary of Homeland Security to report monthly on ICE's financial condition, with the initial report, due no later than November 1, 2005, to cover the actions taken in fiscal year 2005. **Target response to Committee is February 28.**

5. Senate Report 108-280, page 25, directs DHS to submit a quarterly report that compares the number of deportation, exclusion, and removal orders sought and obtained by ICE. The report should be broken down by district in which the removal order was issued; by type of order; by agency issuing the order; by the number of cases in each category in which ICE has successfully removed

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the alien; and by the number of cases in each category in which ICE has not removed the alien. **Target response to Committee February 28.**

6. Conference Report 109-241, page 48, directs the Department to report within 30 days from the enactment of this Act on the total number of beds to be funded in fiscal year 2006, by funding source, and the fiscal year 2006 spend plan for expedited removal. Further, the Department is directed to include bedspace utilization and funding obligations in its regular immigration enforcement reporting to the Committees on Appropriations. **Target response to Committee is February 24.**

7. House Report 109-79, page 35, directs the Secretary of Homeland Security to report monthly on ICE's financial condition. **Target response to Committee is February 28.**

8. Conference Report 109-241, page 47, directs the Department to submit a plan for the expanded use of IEAs not later than December 1, 2005. House language further directs ICE to identify in their plan how their additional personnel will satisfy the immigration enforcement requirements of underserved States. **Target response to Committee is February 24.**

9. House Report 109-79, page 35, directs the Secretary of Homeland Security to report monthly on ICE's financial condition. **Target response to Committee is February 24.**

10. House Report 109-79, page 35, directs the Secretary of Homeland Security to report monthly on ICE's financial condition. **Target response to Committee is February 28.**

11. Conference Report 108-774, page 6, directs the Secretary of Homeland Security to provide an Automation Modernization Plan. None of the funds appropriated under this heading may be obligated until the Committees on Appropriation of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11,part 7; (2) complies with the Department of Homeland Security enterprise information systems architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) is reviewed and approved by the Department of Homeland Security Investment Review Board, the Secretary of Homeland; and the Office of Management and Budget; and (5) is reviewed by the Government Accountability Office. **Target response to Committee is February 28.**

12. House Report 109-79, page 37, directs ICE to submit a report on the cost and schedule for co-locating personnel, broken out by each field office location. Included should be an estimate for co-locating offices within a significantly shorter period than five to seven years. **Target response to Committee is February 28.**

13. House Report 109-79, page 37, requests that ICE submit a report that provides statistical detail on basic, advanced, and specialized training from fiscal year 2003 through fiscal year 2006, to include: number and position of personnel trained, title and purpose of training, and location of training. **Target response to Committee is February 24**.

14. Conference Report 109-241, page 48, The Assistant Secretary of Immigration and Customs Enforcement is directed to provide on a quarterly basis, a report on the (1) current estimate of illegal aliens in the U.S. including absconders (those who have not appeared for immigration hearings or fled after receiving orders for deportation) and criminal aliens; (2) current estimate of foreign born aliens in the U.S. prison system, and of those, how many ICE estimates are deportable; (3) the number of aliens who are apprehended by ICE, broken down by ICE office location and specific ICE program such as the Fugitive Operations teams or Compliance Enforcement; (4) the number of aliens who are apprehended by other law enforcement agencies and delivered to ICE; (5) the number of aliens who are released on their own recognizance; (6) the number of aliens so released who fail to appear for their immigration hearings; (7) the number of bed spaces available and the number of bed spaces actually occupied; (8) the number of aliens removed; (9) number of individuals placed in alternatives to detention; (10) types of alternatives to detention used; (11) number of worksite enforcement operations and inspections conducted; (12) the number of positions and FTE dedicated to administrative enforcement; and (13) staffing, to include on-board staffing, new hires and attrition broken down by function, such as Special Agents, IEAs, and Deportation Officers. Further, the Department is directed to include bedspace utilization and funding obligations in its regular immigration enforcement reporting to the Committees on Appropriations. **Target response to Committee is February 24**.

15. Conference Report 109-241, page 48, directs ICE to report not later than February 10, 2006, on obligating these funds, as well as those appropriated in fiscal years 2004 and 2005. The report should include staffing levels in fiscal years 2003–2006, differentiated by position, as authorized in section 352 of the Trade Act of 2002, and include a five- year enforcement plan. **Target response to Committee is February 24**.

16. House Report 109-79, page 42, directs the Assistant Secretary, in consultation with the Director of the FPS, to immediately correct late payment problems and to submit to the Committee a report on actions taken. **Target response to Committee is February 24**.

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17. Senate Report 109-83, page 35, is requested to provide a report to the Committee on lower cost alternatives to current detention services, including portable housing. **Target response to Committee is February 24**

18. Senate Report 109-83, page 36, requests the Department to report on its response to the specific recommendations of the Commission regarding detention decisions for asylees and the steps it has taken to ensure consistent application of standards for asylum and credible fear within the Department. **Target response to Committee is February 24**

19. Senate Report 109-83, page 36, The Department, in consultation with EOIR, is directed to report to the Committee on the net cost of expanding the Legal Orientation Program nationwide, and the timetable for such an expansion. **Target response to Committee is February 24**

20. Conference Report 109-241, page 33, requests DHS to assume responsibility for the joint DHS/DOJ report due by February 10, 2006, on the efforts each Department will take to reduce the absconder rate, including proposed changes to existing policies, procedures, and laws to further assist in reducing the absconder population. **Target response to Committee is February 24**

21. Senate Report 109-83, page 37, directs ICE to submit a report on the costs and need for establishing a suboffice in southeastern Utah. **Target response to Committee is February 24.**

22. Conference Report 109-241, page 48, requests ICE to submit a quarterly report to the Committee which compares the number of deportation, exclusion, and removal orders sought and obtained by ICE. The report should be broken down by district in which the removal order was issued; by type of order (deportation, exclusion, removal, expedited removal, and others); by agency issuing the order; by the number of cases in each category in which ICE has successfully removed the alien; and by the number of cases in each category in which ICE has not removed the alien. **Target response to Committee is February 28.**

23. Conference Report 109-241, page 48, directs the Department to submit quarterly reports on the fee estimates. **Target response to Committee is February 24.**

24. Senate Report 109-83, page 43, directs the Chief Financial Officer to submit a plan that outlines the steps taken to improve the management of ICE, and any further corrective actions planned to ensure program increases funded for fiscal year 2006 are executed in a timely manner. **Target response to Committee is February 24.**

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25. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is March 1.**

26. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is April 1.**

27. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is May 1.**

28. Conference Report 109-241, page 48, requests ICE to submit a quarterly report to the Committee which compares the number of deportation, exclusion, and removal orders sought and obtained by ICE. The report should be broken down by district in which the removal order was issued; by type of order (deportation, exclusion, removal, expedited removal, and others); by agency issuing the order; by the number of cases in each category in which ICE has successfully removed the alien; and by the number of cases in each category in which ICE has not removed the alien. **Target response to Committee is May 10.**

29 Conference Report 109-241, page 48, directs ICE to provide on a quarterly basis, a report on the (1) current estimate of illegal aliens in the U.S. including absconders (those who have not appeared for immigration hearings or fled after receiving orders for deportation) and criminal aliens; (2) current estimate of foreign born aliens in the U.S. prison system, and of those, how many ICE estimates are deportable; (3) the number of aliens who are apprehended by ICE, broken down by ICE office location and specific ICE program such as the Fugitive Operations teams or Compliance Enforcement; (4) the number of aliens who are apprehended by other law enforcement agencies and delivered to ICE; (5) the number of aliens who are released on their own recognizance; (6) the number of aliens so released who fail to appear for their immigration hearings; (7) the number of bed spaces available and the number of bed spaces actually occupied; (8) the number of aliens removed; (9) number of individuals placed in alternatives to detention; (10) types of alternatives to detention used; (11) number of worksite enforcement operations and inspections conducted; (12) the number of positions and FTE dedicated to administrative enforcement; and (13) staffing, to include on-board staffing, new hires and attrition broken down by function, such as Special Agents, IEAs, and Deportation Officers. Further, the Department is directed to include bedspace utilization and funding obligations in its regular immigration enforcement reporting to the Committees on Appropriations. **Target response to Committee is May 10.**

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30. Conference Report 109-241, page 48, directs the Department to submit quarterly reports on the fee estimates. **Target response to Committee is May 10.**

31. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is June 1.**

32. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is July 1.**

33. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is August 1.**

34. Conference Report 109-241, page 48, requests ICE to submit a quarterly report to the Committee which compares the number of deportation, exclusion, and removal orders sought and obtained by ICE. The report should be broken down by district in which the removal order was issued; by type of order (deportation, exclusion, removal, expedited removal, and others); by agency issuing the order; by the number of cases in each category in which ICE has successfully removed the alien; and by the number of cases in each category in which ICE has not removed the alien. **Target response to Committee is August 10.**

35. Conference Report 109-241, page 48, directs ICE to provide on a quarterly basis, a report on the (1) current estimate of illegal aliens in the U.S. including absconders (those who have not appeared for immigration hearings or fled after receiving orders for deportation) and criminal aliens; (2) current estimate of foreign born aliens in the U.S. prison system, and of those, how many ICE estimates are deportable; (3) the number of aliens who are apprehended by ICE, broken down by ICE office location and specific ICE program such as the Fugitive Operations teams or Compliance Enforcement; (4) the number of aliens who are apprehended by other law enforcement agencies and delivered to ICE; (5) the number of aliens who are released on their own recognizance; (6) the number of aliens so released who fail to appear for their immigration hearings; (7) the number of bed spaces available and the number of bed spaces actually occupied; (8) the number of aliens removed; (9) number of individuals placed in alternatives to detention; (10) types of alternatives to detention used; (11) number of worksite enforcement operations and inspections conducted; (12) the number of positions and FTE dedicated to administrative enforcement; and (13) staffing, to include on-board staffing, new hires and attrition broken down by function, such as Special Agents, IEAs, and Deportation Officers. Further, the Department is directed to include bedspace utilization and funding obligations in its regular immigration enforcement reporting to the Committees on Appropriations. **Target response to Committee is August 10.**

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36. Conference Report 109-241, page 48, directs the Department to submit quarterly reports on the fee estimates. **Target response to Committee is August 10.**

37. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is September 1.**

38. Conference Report 109-241, page 47, directs the amounts appropriated, $5,000,000 shall not be available for obligation until the Secretary of Homeland Security submits to the Committees on Appropriations of the Senate and the House of Representatives a national detention management plan, including the use of regional detention contracts and alternatives to detention. **No time is established.**

39. Conference Report 109-241, page 49, directs that none of the funds made available under this heading may be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A–11, part 7; (2) complies with the Department of Homeland Security information systems enterprise architecture; (3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government; (4) includes a certification by the Chief Information Officer of the Department of Homeland Security that an independent verification and validation agent is currently under contract for the project; (5) is reviewed and approved by the Department of Homeland Security Investment Review Board, the Secretary of Homeland Security, and the Office of Management and Budget; and (6) is reviewed by the Government Accountability Office. **No time is established.**

40. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is October 1.**

41. House Report 109-79, page 35, directs the Secretary to report monthly on ICE's financial condition. **Target response to Committee is November 1.**

42. Conference Report 109-241, page 47, directs the Department to submit a status report not later than November 1, 2006, on the operation and impact of the increase in IEA positions. **Target response to Committee is November 1.**

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43. Conference Report 109-241, page 48, requests ICE to submit a quarterly report to the Committee which compares the number of deportation, exclusion, and removal orders sought and obtained by ICE. The report should be broken down by district in which the removal order was issued; by type of order (deportation, exclusion, removal, expedited removal, and others); by agency issuing the order; by the number of cases in each category in which ICE has successfully removed the alien; and by the number of cases in each category in which ICE has not removed the alien. **Target response to Committee is November 10.**

44. Conference Report 109-241, page 48, requests the Assistant Secretary of Immigration and Customs Enforcement is directed to provide on a quarterly basis, a report on the (1) current estimate of illegal aliens in the U.S. including absconders (those who have not appeared for immigration hearings or fled after receiving orders for deportation) and criminal aliens; (2) current estimate of foreign born aliens in the U.S. prison system, and of those, how many ICE estimates are deportable; (3) the number of aliens who are apprehended by ICE, broken down by ICE office location and specific ICE program such as the Fugitive Operations teams or Compliance Enforcement; (4) the number of aliens who are apprehended by other law enforcement agencies and delivered to ICE; (5) the number of aliens who are released on their own recognizance; (6) the number of aliens so released who fail to appear for their immigration hearings; (7) the number of bed spaces available and the number of bed spaces actually occupied; (8) the number of aliens removed; (9) number of individuals placed in alternatives to detention; (10) types of alternatives to detention used; (11) number of worksite enforcement operations and inspections conducted; (12) the number of positions and FTE dedicated to administrative enforcement; and (13) staffing, to include on-board staffing, new hires and attrition broken down by function, such as Special Agents, IEAs, and Deportation Officers. Further, the Department is directed to include bedspace utilization and funding obligations in its regular immigration enforcement reporting to the Committees on Appropriations. **Target response to Committee is November 10.**

45. Conference Report 109-241, page 48, directs the Department to submit quarterly reports on the fee estimates. **Target response to Committee is November 10.**

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Salaries and Expenses	**2003[1]**	**$2,739,695**	**$3,032,094[2]**	**$3,902,291**
- HQ managed IT investment				269,746
- Legal Proceedings				187,353
- International Investigations				102,681
- Intelligence				51,379
- Custody Operations				1,368,220
- Fugitive Operations				166,453
- Institutional Removal Program				101,357
- Alternatives to Detention				41,145
- Transportation and Removal Program				308,165
Federal Protective Service	**N/A**	**N/A**	**N/A**	**516,011**
- Basic Security	N/A	N/A	N/A	123,310
- Building Specific Security	N/A	N/A	N/A	392,701
Automation Modernization	**2003[1]**	**2,739,695**	**380,000[3]**	**---**
Construction	**N/A**	**N/A**	**N/A**	**26,281**
Total Direct Authorization/Appropriation		**$2,739,695**	**$3,412,094**	**$4,444,583**

[1]Immigration and Naturalization Service--inspection, investigations, Border Patrol, detention and deportation only.
[2]Includes $2,862,094,000 from the FY 2003 INS Salaries and Expenses appropriations, and $170,000,000 included in the FY 2003 Wartime Supplemental Appropriations Act, PL 108-11.

[3]For Entry-Exit system.

Department of Homeland Security

U.S. Immigration and Customs Enforcement

Salaries and Expenses

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Immigration and Customs Enforcement
Salaries and Expenses

I. Appropriation Overview

A. Mission Statement for Appropriation Name:

Salaries and Expenses programs contribute to the ICE mission charged with bringing a unified and coordinated focus to the enforcement of federal immigration laws and customs laws. The Salaries and Expense resources are used to combat terrorism and illegal immigration activities through investigating, detaining and prosecuting criminal aliens and other aliens, domestic gangs, as well as those participating in organized criminal activities that are intended to do harm to the infrastructure and/or inhabitants within the United States.

B. Budget Activities:

Investigations
OI Domestic – The Office of Investigations (OI), divides itself into three broad investigative categories: National Security, Financial and Trade, and Smuggling and Public Safety.

OI International – The Office of International Affairs (OIA) conducts OI investigative efforts to over 50 foreign locations. The OIA represents the international assets of all ICE programs and collaborates with U.S. Citizenship and Immigration Services (USCIS), U.S. Customs and Border Protection (CBP), and other DHS components. The OIA works with foreign governments and international partners to facilitate the enforcement of U.S. customs and immigration laws beyond U.S. borders. OIA operates ICE's Visa Security Program (VSP).

Intelligence Operations
Intelligence Operations collects, analyzes and shares information on critical homeland security vulnerabilities that could be exploited by terrorist and criminal organizations. Intelligence Operations utilizes data and information on the movement of people, money and materials into, within and out of the United States to provide accurate and timely reporting to ICE leadership and field agents. Contained within Intelligence Operations are Field Intelligence Units (FIUs), which are the agency's primary vehicle for intelligence analysis in support of field operations and enforcement. FIUs serve as the link between headquarters and other field components for intelligence collection, integration, analysis, and dissemination.

Detention and Removal Operations
Custody Operations program –provides safe, secure, and humane confinement for removable aliens and seeks to ensure that aliens in ICE custody appear for their immigration hearings and subsequent removal from the United States.

Fugitive Operations program –locates and apprehends fugitive aliens in the United States. It strives to identify and apprehend all fugitives, creating a deterrent to potential absconders and increasing the integrity of the immigration enforcement process.

Alternatives to Detention - places low-risk aliens under various forms of intensive supervision rather than traditional detention as a cost-effective way to ensure their appearance for an immigration hearing or for removal. This program lowers the risk that aliens will be fugitives.

Institutional Removal Program (IRP) – The IRP ensures that aliens are not released back into the community before they are removed from the United States. ICE officers interview incarcerated aliens to determine whether they are eligible for immigration proceedings. If a case receives a final order of removal, ICE officers will immediately take that alien into custody upon completion of his or her criminal sentence and then prepare that case for removal.

Transportation and Removal program - provides safe and secure transportation of aliens in ICE custody as well as prepares for and conducts the removals of aliens from the United States, as ordered by an immigration judge.

TRANSFER OF MANDATORY FUNDING ($3.6M)

In December 2004, the Congress passed and the President signed the Commercial Spectrum Enhancement Act (CSEA, Title II of P.L. 108-494), creating the Spectrum Relocation Fund (SRF) to streamline the relocation of Federal systems from certain spectrum bands to accommodate commercial use by facilitating reimbursement to affected agencies of relocation costs. The Federal Communications Commission has allocated this spectrum for Advanced Wireless Services, and plans to auction it as early as June 2006. Funds will be made available to agencies following the crediting of auction receipts to the SRF, anticipated in FY 2007. Following the transfer of funds from the SRF to agency accounts, system relocation efforts will commence. The amounts reported here are the agency's estimated relocation costs, as approved by the Office of Management and Budget, and as reported to the Congress by the Department of Commerce in December 2005. Funds are mandatory and will remain available until expended, and agencies will return to the SRF any amounts received in excess of actual relocation costs.

ICE will use the $3.6 million to replace equipment and interfaces as needed, in keeping with engineering studies that will be undertaken to move from the current bands to the new bands.

C. Budget Request Summary:

ICE requests 16,374 positions, 15,331 FTE, and $3,902,291,000. The total adjustments-to-base is 626 FTE and $261,619,000. The program increases include 1,360 positions, 681 FTE, and $550,258,000.

Secure Border Initiative ($541M) – The request highlights funding that supports the Secure Border Initiative (SBI). The Administration developed a three-pillar approach that will focus on controlling the border, building a robust interior enforcement program, and establishing a Temporary Worker Program. SBI, a performance-driven, department-wide enterprise will use resources from the Department's components to make dramatic improvements in the border security and interior enforcement. It will cover every facet of how the Department manages, adjudicates, and removes persons caught crossing the border illegally; how the federal government can deter illegal migration

overall; how to identify immigration violators currently in the country; and interact with States and localities at the front lines of immigration enforcement.

Funding dedicated to SBI efforts facilitates a complete program encompassing many administrative, legal, and regulatory actions. Substantial resource enhancements provided in 2005 and 2006 will pave the way for an effective SBI program, and 2007 will be a turning point towards meeting long-term border security objectives. The following are a few of the key investments in ICE for SBI:

- **Detention Bed Space** – Over $400 million for an additional 6,700 detention beds, to bring the total number of beds to approximately 27,500. A key element of SBI is replacing a "catch and release" protocol for captured aliens with a "catch and return" process that will require a substantial expansion of bed space. In addition, new bed space will be used to detain criminal aliens upon release from State and local prisons until they can be removed from the country, and to detain alien absconders defying orders of removal after ICE apprehends them. This bed space request supports the detention and removal of at least another 100,000 apprehended persons annually.

- **Worksite Enforcement** – $41.7 million for ICE worksite enforcement, to add 206 agents and support personnel. A strong worksite enforcement program that continues to expand will provide a strong deterrent to employers who knowingly hire illegal workers; reduce economic incentive for illegal immigration; and will restore the integrity of employment laws.

- **Fugitive Operations** – $60 million for ICE Fugitive Operations apprehension teams, adding a total of 178 agents and support personnel. In addition to shoring up our borders and improving workplace oversight, the Department will increase efforts to catch the estimated 558,000 absconders around the country – a level that is growing every year. Funding will enable the number of Fugitive Operations teams to increase by 18, to a planned total level of 70 teams nationwide.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Legal proceedings	843	132,535	972	147,414	1,126	206,511	154	$59,097	130	38,812	24	20,285
Investigations - Domestic	7,286	1,229,660	7,671	1,331,175	8,126	1,456,650	455	$125,475	175	58,544	280	66,930
Investigations - International	226	87,412	249	102,894	250	104,744	1	$1,850	---	34	1	1,816
Intelligence	298	53,777	333	58,602	333	57,932	---	-$670	---	103	---	(773)
DRO - Custody Operations	3,084	874,724	3,802	1,068,074	4,280	1,432,702	478	$364,627	285	228,403	193	136,225
DRO - Fugitive Operations	166	80,815	400	108,912	520	173,784	120	$64,872	90	60,136	30	4,736
DRO - Institutional removal program	152	54,666	495	101,519	564	110,250	69	$8,731	1	202	68	8,529
DRO - Alternatives to detention	12	12,782	102	29,683	132	42,702	30	$13,019		43	30	12,976
DRO - Transportation and removal program	360	201,210	---	142,140		317,016	---	$174,876		163,981	---	10,895
Federal Protective Service[1]		21,164										
Subtotal, Enacted Appropriations and Budget Estimates	**12,427**	**2,748,745**	**14,024**	**$3,090,414**	**15,331**	**$3,902,291**	**1,307**	**$811,877**	**681**	**$550,258**	**626**	**$261,619**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**12,427**	**$2,748,745**	**14,024**	**$3,090,414**	**15,331**	**$3,902,291**	**1,307**	**$811,877**	**681**	**$550,258**	**626**	**$261,619**

1 Federal Protective Service dollars in FY 2005 represents funding transferred to the ICE S&E no year account.

Note: Totals may not add due to rounding

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Program Performance Justification
(Dollars in thousands)

PPA Investigations - Domestic Operations

	Perm Pos	FTE	Amount
2005 Actual	**7,543**	**7,286**	**$1,229,660**
2006 Enacted	**8,158**	**7,671**	**$1,331,175**
2007 Adjustments-to-Base	20	280	66,930
2007 Current Services	**8,178**	**7,951**	**1,398,105**
2007 Program Change	348	175	58,545
2007 Request	**8,526**	**8,126**	**1,456,650**
Total Change 2006-2007	368	455	125,475

U.S. Immigration and Customs Enforcement requests $1.457 billion for this activity. This is an increase of $66.9 million for pay and non-pay inflation, as well as a total program increase of $58.5 million for additional Compliance Enforcement agents, Worksite Enforcement agents and Law Enforcement Technicians.

The above chart includes $21.164 million FPS transferred in FY 2005 to the ICE S&E no year account. Funds were divided among Investigations and DRO PPAs. OI Domestic Ops received $12.7 million.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Investigations (OI) enforces trade and immigration laws through the investigation of activities, persons, and events that may pose a threat to the safety or security of the United States and its people. Investigations lead to the arrest and prosecution of perpetrators and/or result in the removal of individuals posing risks to national security or public safety. OI investigates illegal trafficking in weapons (including weapons of mass destruction); the smuggling of narcotics and other contraband; human smuggling and trafficking; money laundering and other financial crimes; fraudulent trade practices; child pornography; child sex tourism; and health and public safety dangers.

OI's success in disrupting and dismantling criminal organizations occurs through concerted efforts on three elements of criminal activity: of people, materials, and funding. There are critical and potential links to people, materials, and funding in every investigation initiated and OI uses its authorities to attack criminal organizations including systemic vulnerabilities that pose a threat.

OI identifies violators, prepares viable cases for prosecution, and, when appropriate, seizes illegally acquired assets--both in the United States and overseas (through cooperative host government law enforcement). A major contributor to the success of investigative efforts is close coordination and cooperation with Federal, state, local, and tribal law enforcement agencies. Through inter/intra governmental partnerships and the use of innovative investigative techniques supported by intelligence, OI:

· identifies and targets organizations and individuals engaged in identity and benefit fraud;

· investigates out-of-status and other aliens who pose a potential danger to the American people or infrastructure;
· reduces the number of criminals and terrorists who penetrate and pose a threat to the U.S. economy by gaining employment in critical and sensitive areas through worksite enforcement;
· identifies and dismantles criminal organizations that exploit the nation's financial systems;
· prevents the importation of Weapons of Mass Destruction (WMD) and other instruments of terror into the U.S. from abroad;
· prevents international terrorists from obtaining WMD materials and technologies, arms, funds, and other support from U.S. and foreign sources;
· disrupts criminal organizations involved in narcotics smuggling and money laundering through multi-defendant prosecutions and seizures of drugs and monetary assets;
· reduces potentially hazardous, harmful, and/or life threatening situations caused by the importation of prohibited or illegal commodities;
· enforces embargoes, trade agreements, and sanctions imposed by the United States government against foreign countries;
· protects Intellectual Property Rights (IPR), including trademarks and copyrights;
· investigates a variety of trans-border computer crimes being committed via the Internet;
· safeguards children and potential victims from exploitation through crimes involving pornography, sex tourism, and forced child/prison labor;
· disrupts those who deal in human trafficking; and
· denies safe haven to those who violate human rights.

OI's mission is to prevent acts of terrorism and ensure the safety and economic well being of our country. OI is divided into three broad categories of investigative effort: National Security, Financial and Trade, and Smuggling and Public Safety.

National Security Investigations works to deter and dismantle terrorist groups, individuals, and companies involved in the illegal procurement and movement of weapons of mass destruction and their materials and components. National Security Investigations personnel work closely with the Federal Bureau of Investigation's (FBI's) Joint Terrorism Task Forces (JTTFs). JTTFs utilize the collective resources of the participating agencies for the prevention, deterrence, and investigation of terrorism and related activities occurring in or affecting the United States.

Millions of nonimmigrant aliens enter the United States every year to visit, to work, and to attend school. An estimated 100,000 will overstay or violate the terms of their authorized period of admission, some for economic or personal reasons, and potentially for sinister reasons. In an effort to combat this threat to national security, the Federal Government has implemented the National Security Entry Exit Registration System (NSEERS), the Student and Exchange Visitor Information System (SEVIS), and U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) to track nonimmigrant aliens while in the United States. The responsibility for enforcing these systems lies with National Security Investigations.

The Threat Analysis Section (TAS) is part of the CEU. It is a specialized group of agents and intelligence analysts who proactively identify persons of interest from within the non-immigrant community of visitors, students, and temporary workers in the United States. The TAS uses the latest computer technology and unlimited access to immigration, law enforcement and intelligence information to identify hidden links and associations between persons and events that could indicate a previously unknown threat. The TAS employs an intelligence-based approach, whereas the CEU

operations section employs a violation-based approach. In this manner, the CEU is able to ensure there are consequences for routine immigration violations as well as ensure individuals are who they claim to be.

Cornerstone, a 21st century systemic approach to law enforcement, focuses on coordination and cooperation with the private sector to eliminate vulnerabilities in U.S. financial systems and disrupt and dismantle alternative financing mechanisms that terrorists and other criminals use to earn, move and store illicit funds.

The Commercial Fraud Unit and National Center for Intellectual Property Rights (IPR Center) target predatory and unfair trade practices that threaten our economic stability, restrict the competitiveness of U.S. industry in world markets, and place the public health and safety of the American people at risk. The Trade Transparency Unit (TTU) and Money Laundering Coordination Center (MLCC) provide the analytical infrastructure to support financial and trade investigations. The TTU provides the capability to identify and analyze complex trade-based money laundering systems, such as the estimated $5 billion per year drug money laundering scheme known as the BMPE.

OI actively participates in collaborative investigative task forces with other Federal, state, local and international law enforcement agencies (e.g., High Intensity Financial Crime Area programs, Joint Vetting Units, Financial Action Task Forces) targeting terrorist financing and transnational money laundering.

Smuggling/Public Safety Investigations identify, deter, interdict, and investigate activities associated with the unlawful movement of people and goods into and out of the country. In addition to conducting investigations targeted at disrupting and dismantling activities of groups and individuals engaged in the smuggling of humans and contraband, OI investigates human rights violations, the exploitation of individuals, the importation of hazardous and prohibited items, identity and benefits fraud, critical infrastructure protection/worksite enforcement, and violent criminal aliens.

Agents are confronted with numerous challenges to combat drug traffickers and, ultimately, significantly reduce the amount of illegal drugs introduced into the U.S. each year. Drug smuggling organizations continue to develop new and sophisticated methods to smuggle drugs into the U.S. by land, air, and sea. They expend enormous amounts of money and time to thwart U.S. law enforcement's efforts by developing new concealment techniques, organizing internal conspiracies, using various transshipment routes, and even attempt to corrupt law enforcement officers.

Internal conspiracies operating in and around U.S. airports and seaports pose a significant problem to our counter-narcotics and homeland security efforts. In internal conspiracies, criminals target corrupt personnel within a company or transportation industry to introduce contraband into otherwise legitimate cargo or conveyances. Using such programs as the Maritime Port Security Program, OI is committed to eliminating the threats posed by internal conspiracies and smuggling organizations. Operation Safe Harbor focuses on investigative initiatives in the maritime port environment as well as non-investigative initiatives including cooperative programs with CBP and other DHS agencies.

Resources and support for these investigative efforts are enhanced through increased coordination and cooperation with other Federal, State, tribal, local, and foreign law enforcement agencies and through participation in task forces such as the Organized Crime Drug Enforcement Task Force, the High Intensity Drug Trafficking Area, and the High Intensity Financial Crime Area programs.

Identity and benefit fraud is a vulnerability of national security because it enables terrorists and criminals to exploit the legitimate immigration process and obtain "legal" status in the U.S. via fraudulent means. Benefit fraud also is an extremely lucrative form of organized white-collar crime, complex and challenging to investigate, and often involving sophisticated, multi-layered schemes with multiple co-conspirators that take years to investigate and prosecute. OI focuses on identifying and targeting the most significant, prolific, and egregious violators, and individuals and organizations that pose a risk to national security or public safety.

Violent criminal aliens, such as sexual predators and street gang members, pose a significant threat to public safety. In partnership with state and local law enforcement, OI investigates foreign-born sex offenders for violations of laws in order to remove them from the community and the country. Likewise, OI coordinates investigations with domestic and international law enforcement to disrupt and dismantle street gangs with foreign-born members which have been involved in various crimes with a nexus to the border, such as drug and human smuggling, weapons trafficking, document fraud, and the export of stolen goods. OI also works to deny safe haven to human rights violators in the U.S. by investigating their violations of U.S. criminal and immigration laws.

Through worksite enforcement initiatives, OI is working with the Federal and private sector to prevent criminals and terrorists from penetrating and crippling the U.S. economy by gaining employment in critical and sensitive areas. OI enforcement operations are prioritizing and targeting the most important, yet vulnerable, facilities for enforcement activity, and identifying and removing unauthorized facility workers through multi-agency screening and arrest operations. Furthermore, OI is applying sanctions to criminal employers whose employment practices constitute worker exploitation or have a nexus to alien smuggling or fraud. OI also conducts outreach to educate employers as to their legal responsibilities and provides information that will help them "stay clean" at the conclusion of ICE screening operations.

During FY 2005 OI successfully conducted the first joint IPR investigation by ICE agents and Chinese authorities (Internet sales of pirated motion picture DVDs) and, with FBI, first criminal enforcement action targeting individuals committing copyright infringement on peer-to-peer networks; conducted Textile Production Verification Team (TPVT) visits to 11 countries; in February, launched Operation Community Shield, which aims to disrupt and dismantle violent, transnational street gangs, arrested over 1,400 gang members by end of fiscal year; conducted numerous successful worksite enforcement investigations focusing on critical infrastructure and national security; reached record $11 million civil settlement with a major company, as result of traditional worksite investigation; arrested 27 human rights violators for criminal offenses and an additional 20 for removal proceedings; first two years of Operation Predator resulted in over 6,600 child predator arrests and more than 3,400 removals from the U.S.; participated in the Arizona Border Control Initiative (ABCI), yielding more than 1,700 defendants, seizure of over $11 million, and apprehension of over 610,000 illegal immigrants; coordinated WMD/delivery system training at selected Special Agent in Charge (SAC) offices; provided training to Australia Group (38 countries trying to minimize the risk of exporting or transshipping chemical and biological weapons); developed/implemented "train-the-trainer" program for agents on accessing SEVIS and U.S.-VISIT information; arrested 978 visa violators from Compliance Enforcement efforts; expanded Threat Analysis Section's tactical analysis capabilities; conducted Bulk Cash Smuggling (BCS) and Unlicensed Money Transmitting Businesses training and Cornerstone outreach/training; implemented BMPE initiative; began work to establish formal TTUs with three South American countries; with CBP, conducted operations targeting in-bond smuggling

and smuggling at Foreign Trade Zones and bonded facilities; conducted outreach to increase awareness of Forced Labor issues, IPR program, and Cornerstone program; continued development of ICE Mutual Agreement between Government and Employers (IMAGE) initiative (part of overall enforcement strategy to address document fraud, human smuggling, and worksite compliance priorities through industry outreach and employer self-policing); and, in coordination with foreign governments, continued task force efforts to identify/investigate "politically exposed persons."

In FY 2006 OI will bolster worksite and other immigration enforcement programs; continue WMD training; conduct Project Shield America visits to manufacturers/distributors/exporters of dual-use/military technology; implement Biometric Support Initiative, Designated School Official background check program, and school recertification program; in support of state and local law enforcement efforts to supplement Federal immigration law enforcement, provide training for voluntary entrants into the 287(g) program; implement initiative to eliminate systemic vulnerabilities in unlicensed Money Service Businesses (MSBs); create/chair interagency BCS Working Group and conduct joint operations with U.S. Postal inspectors; pilot BCS Unit at the Law Enforcement Support Center (LESC); continue implementation of BMPE initiative; create additional TTUs with interested foreign governments; continue Cornerstone's outreach/training for trade and financial business communities; target illegal importations of counterfeit cigarettes and unapproved/counterfeit/adulterated pharmaceuticals, and textile transshipments; conduct TPVT visits to 13 countries; expand Airport Security Program into top 50 international U.S. airports; conduct outreach to Maritime Shipping and Cruise Ship lines; expand outreach/partnership with Non-Government Organizations (NGOs) and business entities to educate and identify trends and activities of targeted criminal organizations; establish the Office of Investigations (OI) as DHS entity responsible for all investigative activities relating to human rights violators; expand investigations of identified human rights violators and their support networks; in coordination with foreign governments, continue task force efforts to identify/investigate "politically exposed persons"; expand the ability of the Cyber Crimes Center to provide additional data analysis, data archiving, disaster recovery, and advanced examinations within the digital evidence network; and accelerate entry of immigration enforcement information into the National Crime Information Center (NCIC) database.

In FY 2007 OI will expand Worksite Enforcement and Compliance Enforcement Programs; improve coordination with Department of State/Department of Defense tracking terrorist travel programs; increase participation in JTTFs; continue MSB initiative; implement BCS enforcement strategy/training; expand BCS Unit at LESC; create additional TTUs with interested foreign governments; continue BMPE initiative; implement enforcement action against fraudulent trade schemes used by terrorists/other criminal organizations to support their illegal activities; conduct public awareness campaign regarding IPR crime; conduct TPVT visits to about 13 countries; continue Cornerstone's outreach/training for trade and financial business communities; expand activities to disrupt/eliminate violent gangs and the most significant contraband/human smuggling/transportation organizations; implement targeted investigations of criminal sources/support networks; improve implementation of asset forfeiture as related to organizations involved in identity and benefits fraud; continue targeted investigations of identified human rights violators/support networks; in coordination with foreign governments, expedite task force efforts to identify/investigate "politically exposed persons"; improve inquiry response time at LESC; and continue to provide training for voluntary entrants into the 287(g) program.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Program Performance Justification
(Dollars in thousands)

PPA: **Investigations - International Operations**

	Perm Pos	FTE	Amount
2005 Actual	**259**	**226**	**$87,412**
2006 Enacted	**267**	**249**	**$102,894**
2007 Adjustments-to-Base	---	1	1,816
2007 Current Services	**267**	**250**	**104,710**
2007 Program Change	---	---	34
2007 Request	**267**	**250**	**104,744**
Total Change 2006-2007	---	1	1,850

ICE requests $104.7 million for this activity. This is an increase of $1.9 million over FY 2006 for pay and non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of International Affairs' (OIA) Attaché offices, as the OI overseas component, conduct criminal investigations of violations of law involving contraband smuggling, immigration violations, money laundering, arms/technology trafficking and cyber crimes. OIA Attaché offices also acquire law enforcement intelligence and information; support other Department of Homeland Security (DHS) missions [(e.g., DHS security initiatives and trade programs, such as the Visa Security Program, Container Security Initiative, and the Trade Transparency Units (TTUs)]; conduct international training; develop and implement the Visa Security Program; and act as the in-country ICE liaison with foreign governments and Embassy staff.

The Attachés are also responsible for the enforcement of health and safety issues, including tainted or prohibited foodstuffs, unsafe toys and consumer products. They coordinate with foreign counterparts to share information under the bilateral agreements and Customs Mutual Assistance Agreements (CMAAs). They refer foreign leads to domestic ICE investigation offices and handle ICE investigative leads. The Attachés also investigate and enforce laws for other Federal agencies that have a Memorandum of Understanding with DHS; and any other matter as directed by the Secretary of DHS.

In implementing the Visa Security Program, OIA works with the State Department to review visa applications. In addition to preventing terrorists, criminals and other violators from receiving U.S. visas, VSP activities generate valuable threat information in the form of new watch list entries, intelligence reports, investigative leads, and identification of patterns in visa fraud. The Visa Security Program enhances the security of visa issuance at overseas posts by deploying highly skilled and experienced law enforcement officers who conduct an in-depth investigative review of visa

applications that raise security concerns; investigate concerns relating to visa fraud and other criminal activity which can exploit the visa system; and provide advice and training on security issues to Department of State consular officers, thereby enhancing their ability to screen security risks as they adjudicate visas, conduct information sharing, and liaison to support effective tactical operations.

In addition to supporting the goals of DHS, OIA's activities also support the goals set forth by the Department of State in the areas of regional stability, counter terrorism, homeland security, weapons of mass destruction, international crime and drugs, economic prosperity, and public diplomacy.

During FY 2005 OIA fully integrated legacy INS and Customs overseas enforcement offices; expanded background investigation of foreign visa applicants in high threat country; and selected and trained first permanent Visa Security Officers to be stationed in select U.S. Embassies around the world. Also coordinated joint successful enforcement and investigative efforts with foreign law enforcement in strategic/export, child pornography, and child sex tourism cases; and coordinated and conducted ICE-led international training projects on bulk cash smuggling, financial and money laundering, document fraud and counterfeit documents, child exploitation, and commercial fraud. OIA successfully conducted first joint Intellectual Property Rights (IPR) investigation by ICE agents and Chinese authorities (Internet sales of pirated motion picture DVDs). OIA provided logistical and coordination support for Textile Production Verification Team (TPVT) visits to 11 countries and participated as team members on two of these visits. The office also developed and implemented vetted foreign Human Trafficking and Smuggling units to combat Special Interest Alien Smuggling in Latin America.

In FY 2006 OIA will expand Visa Security Program into highest terror threat locations having U.S. visitor applicants; expand overseas efforts against Forced Child Labor; in coordination with foreign governments, expedite task force efforts to identify/investigate "politically exposed persons"; assist in the creation of additional TTUs with interested foreign governments; expand and increase joint ICE-foreign law enforcement efforts in all the investigative areas of ICE expertise; in coordination with the Department of State, conduct international training and visitors programs; continue support and assistance to CBP CSI and C-TPAT and all other DHS international programs; and provide logistical and coordination support for the TPVT visits to about 13 countries scheduled for FY 2006, and investigate leads from the TPVTs for potential transshipment violations.

In FY 2007 OIA will expedite task force efforts to identify/investigate "politically exposed persons"; assist in the creation of additional TTUs with interested foreign governments; provide logistical support and coordination for the TPVT visits scheduled for FY 2007 and investigate leads from the TPVTs for potential transshipment violations; and continue to support all ICE, CBP, and DHS international enforcement efforts.

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PPA: Intelligence

	Perm Pos	FTE	Amount
2005 Actual	**299**	**298**	**$53,777**
2006 Enacted	**345**	**333**	**$58,602**
2007 Adjustments-to-Base	---	---	(773)
2007 Current Services	**345**	**333**	**57,829**
2007 Program Change	---	---	103
2007 Request	**345**	**333**	**57,932**
Total Change 2006-2007	---	---	(670)

ICE requests $57.9 million for this activity. This is a total decrease of $670 thousand due to the realignment of the intelligence program.

CURRENT SERVICES PROGRAM DESCRIPTION

The ICE Headquarters Office of Intelligence is comprised of the following six program areas:

(1) Anti-Terrorism Unit (ATU)
The ATU performs the daily review of all-source intelligence reporting and ensures that intelligence - as it pertains to Homeland Security and potential terrorist threats - is evaluated and disseminated to ICE executive management and operational units.

(2) Arms and Strategic Technology Intelligence Unit (ASTIU)
The ASTIU provides comprehensive operational intelligence support to activities associated with export enforcement efforts by ICE's Office of Investigations.

(3) Human Smuggling and Alien Intelligence Unit (HSAIU)
The HSAIU provides a systematic and comprehensive review of intelligence and law enforcement reporting to identify organizations, groups or individuals who smuggle aliens and/or engage in human trafficking. The HSAIU supports field investigations and identifies leads or trends.

(4) Detention and Removal Operations/Human Intelligence Unit (DRO/HUMINT)
The DRO/HUMINT provides a systematic and comprehensive review of intelligence and law enforcement reporting involving immigration-related benefits, associated fraud, the processing of refugees and asylum seekers, and the detention and removal of aliens in ICE custody. DRO/HUMINT also screens Special Interest Aliens and other persons/detainees of interest through name vetting.

(5) Intelligence Support Division (ISD)
ISD enforcement personnel within ICE utilize new technology such as the Numerically Integrated Processing System. This is a powerful web-based analytical tool developed within ICE for ISD personnel to integrate, manipulate, compare, and analyze large data sets of commercial, passenger, financial, and enforcement data to identify anomalies that are indicative of criminal activity, to include illicit actions in support of terrorism, money laundering, tax evasion, weapons proliferation, immigration enforcement and drug smuggling.

(6) Mission Support Unit
The Mission Support Division of the Office of Intelligence provides major human, financial, material and information resources in support of personnel in Headquarters and field offices so that they might accomplish the ICE Intelligence mission.

The intelligence reporting and watch-list records resulting from intelligence operations conducted by ICE Office of Intelligence have led to the identification of special interest individuals and businesses involved in a wide-range of criminal and illicit activities. This intelligence provided law enforcement with critical information needed to perform seizures of contraband, vehicles, and arrests of individuals, as well as helped to establish criminal cases.

During FY 2005 the Office of Intelligence conducted 12 major operations. Operations Intelligence Collection Analysis Team (ICAT) and Foreign Intelligence Collection Team (FICT) targeted contraband and special interest alien smuggling activity in Mexico. Operations Potpourri, Masquerade, and Prevalence targeted fraudulent and counterfeit document schemes, immigration benefit fraud, and illicit finance activities – all of which could undermine the U.S. immigration system by allowing entry of potentially dangerous individuals. Operation Pronet targeted activities involving arms and strategic technology transfers. Operations Watchtower and Sea Hunt targeted maritime activities of commercial and small vessel traffic entering U.S. waterways and illegal or potentially dangerous cargoes and crews. Operation Swordfish targeted financial crimes involving potential terrorist activities. Operations Capistrano and Roswell targeted suspect travel, and Operation Last Call targeted special interest aliens in detention. Most of these operations will continue in FY 2006.

In FY 2006 - 2007 operations such as Last Call, Sea Hunt will be expanded to address the growing need for intelligence collection and reporting of activities in ICE detention facilities as well as maritime intelligence collection of major U.S. seaports.

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PPA: Legal Proceedings

	Perm Pos	FTE	Amount
2005 Actual	**871**	**843**	**$132,535**
2006 Enacted	**1,000**	**972**	**$147,414**
2007 Adjustments-to-Base	---	24	20,285
2007 Current Services	**1,000**	**996**	**167,699**
2007 Program Change	259	130	38,812
2007 Request	**1,259**	**1,126**	**206,511**
Total Change 2006-2007	259	154	59,097

ICE requests $206.5 million for this activity. This is an increase of $20.3 million over 2006 for pay and non-pay inflation as well as a total program increase of $38.8 million for additional attorneys in support of the SBI.

CURRENT SERVICES PROGRAM DESCRIPTION

ICE Legal Proceedings (also referred to as the Office of the Principal Legal Advisor or "OPLA") provides the legal advice, training, and services required to support the ICE mission while defending the immigration laws of the United States in the administrative and federal courts and is the legal representative for ICE. OPLA is the DHS legal component that is authorized to represent the government in immigration proceedings that end up in immigration courts.

OPLA consists of 11 divisions: (1) Appellate Counsel, (2) Commercial and Administrative Law Division, (3) Customs Enforcement Law Division, (4) Enforcement Law Division, (5) Ethics Office, (6) Human Rights Law Division, (7) Knowledge Management Division, (8) Legislative Counsel, (9) Mission Support, (10) National Security Law Division, (11) Training and Program Development Division. OPLA also provides training on legal and ethical issues to ICE employees. OPLA has 26 field Chief Counsel Offices that correspond with the 26 domestic areas of responsibility for the ICE Office of Investigations.

As the legal representative for the U.S. government at immigration court hearings, OPLA attorneys handle a variety of immigration-related issues, from contested removals to custody determinations to applications for administrative relief. Most hearings involve criminal aliens, terrorists, and human rights abusers, among others. The following highlights the primary duties and responsibilities of OPLA.

The Enforcement Law Division (ELD) is responsible for handling traditional immigration enforcement issues and general officer authority issues. ELD provides legal enforcement defense at proceedings brought before the Executive Office for Immigration Review (EOIR), as well as federal court litigation

on issues that include: statutory interpretation, relief from removal, evidence, stays, deferred action, access to counsel, incompetent aliens, contempt authority, expedited removals, collateral estoppels, record checks, reinstatements, habeas petitions and petitions for review, extraditions, requests for pardons and clemency, plea bargains, paroles, custody standards and regulations, unaccompanied minors, repatriations, forced feedings, chemical restraints, psychiatric evaluations, and alternatives to detention. ELD provides legal counsel to ICE program operations involving civil and criminal investigations, officer authority issues such as use of force, weapons carriage and firearms policy, arrests, search and seizure, emergency driving, worksite enforcement, benefits fraud, alien smuggling and trafficking, asset forfeiture, detention authority, fugitive operations, and denaturalization. ELD provides vital legal assistance and guidance with ICE's initiatives, such as Operation Predator and Operation Community Shield to bring them to a successful law enforcement conclusion and then litigate the cases at removal proceedings.

The Customs Enforcement Law Division (CELD) provides policy and legal advice involving investigations into violations of the customs laws and customs enforcement issues that include Title 19 (traditional customs import and export violations), Title 21 (narcotics violations), export control laws, commercial fraud, asset forfeiture, child sexual exploitation and financial crimes, such as money laundering and bulk currency smuggling. CELD also advises on the use of the summons/subpoenas, warrants, evidentiary and discovery issues and provides legal training on customs authorities. CELD attorneys review all Title III affidavits to ensure legal sufficiency and compliance with ICE policy: and CELD is the primary point of contact on all questions relating to undercover operations, including certification, personal assistance agreements, lease and hold harmless agreements, use of proceeds and threats to life. CELD attorneys participate with the Undercover Review Committee. CELD attorneys are situated in Washington, D.C., New York, Miami, Houston, Chicago and Los Angeles in addition to the 26 domestic field offices for the ICE Office of Investigations and in San Juan.

The Appellate Counsel Office is primarily responsible for handling emergency stay requests, adverse decision reports related to federal litigation where the government has not prevailed, and appeals of the Immigration Judges' decisions to the Board of Immigration Appeals.

The Commercial & Administrative Law Division (CALD) provides legal advice in the areas of fiscal law, personnel and labor law, civil rights and equal employment law, collective bargaining, garnishments, information disclosure law, federal tort claims, memoranda of understanding and other agreements, contract law, breached bonds, and a range of administrative law matters in support of ICE operations. CALD represents ICE before the Equal Employment Opportunity Commission, the Merit Systems Protection Board, General Accounting Office, and the Department of Transportation Board of Contract Appeals, among other administrative and judicial forums. CALD also adjudicates administrative tort claims and provides guidance and legal advice governing procurement/contract awards, and develops and coordinates ICE legal policy in these areas. Other central services provided by CALD include representing ICE at: bid protests and contract-related litigation before the General Accounting Office (GAO), the Court of Federal Claims (COFC), and the United States District Courts; disputes before the Department of Transportation Board of Contract Appeals (DOTBCA); and, ultimately, any appeal decisions to the United States Courts of Appeals, including the Court of Appeals for the Federal Circuit.

The Human Rights Law Division (HRLD) ensures that the U.S. is not a safe haven for persecutors and provides guidance in cases involving human rights violators. HRLD is on the cutting edge of the law. For example, HRLD successfully prosecuted the first alien charged with genocide. HRLD also successfully prosecuted the first alien charged with killing and torture activities prohibited pursuant to provisions enacted by the Intelligence Reform and Terrorism Prevention Act. The number of cases tracked by HRLD has grown from 400 cases in December 2003 to over 1,000 cases involving individuals from 85 different countries. In addition, HRLD has drafted legislation that would eliminate certain loopholes in the Immigration and Nationality Act through which human rights persecutors have been able to receive immigration benefits.

The National Security Law Division (NSLD) provides legal advice and overseas litigation involving special interest cases, including those involving international terrorism, counter-terrorism, espionage, and other national security matters. The work performed by NSLD is critical to ICE's efforts to protect the nation's security. NSLD attorneys are involved in a fast-paced practice, working closely with other Federal law enforcement and intelligence agencies, including the FBI, and routinely make decisions that have an immediate impact on national security. Specifically, NSLD attorneys oversee and coordinate removal proceedings involving terrorists and foreign intelligence agents; provide legal support to ICE's Office of Investigations (namely, the National Security Threat Protection Unit and the Visa Security Unit) and Office of Intelligence; and liaison with the Civil and Criminal Divisions of the Department of Justice.

During FY 2005 OPLA developed and deployed the national electronic file and case tracking system, General Counsel Electronic Management System (GEMS) and initiated the Six Sigma Management Program to enhance client services and management efficiency. Removal orders were successfully acquired against thousands of criminal aliens tied to multiple terrorist cases, child predators, and MS-13 gang members. NSLD was involved in approximately 800 cases associated with terrorist detection activity and export control. HRLD provided legal support in over 1,000 cases involving mass genocide, human enslaving and torture. CELD provided legal support for approximately 100 wiretaps and 50 umbrella undercover operations. CALD litigated or participated in disciplinary action of nearly 200 employees. And OPLA disseminated over 600 ethical opinions.

In FY 2006-2007, OPLA plans to increase the level of legal services by dedicating at least one attorney to the Student and Exchange Visitor Information System and more resources to client-field training aw well as the training program at FLETC. OPLA also plans to focus on revising and revitalizing the attorney training program, reviewing career development initiatives, and developing leadership programs. Further, OPLA plans to analyze and review the immigration court process to make this operation more efficient. Through analysis, OPLA intends to improve the benefit/completion ratio that, in turn, will allow more attorney time for other mission needs.

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PPA: Detention and Removal - Custody Operations

	Perm Pos	FTE	Amount
2005 Actual	**3,311**	**3,084**	**$874,724**
2006 Enacted	**4,079**	**3,802**	**$1,068,074**
2007 Adjustments-to-Base	10	193	136,225
2007 Current Services	**4,089**	**3,995**	**1,204,299**
2007 Program Change	571	285	228,403
2007 Request	**4,660**	**4,280**	**1,432,702**
Total Change 2006-2007	581	478	364,628

ICE requests $1.433 billion for this activity. This is an increase of $136.2 million over FY 2006 for pay and non-pay inflation, as well as a total program increase of $228.4 million for beds and staff to support the SBI.

The above chart includes $21.164 million FPS transferred in FY 2005 to the ICE S&E no year account. Funds were divided among Investigations and DRO PPAs. DRO Custody Operation PPAs received $8.5 million.

CURRENT SERVICES PROGRAM DESCRIPTION

Immigration enforcement authorities apprehend potentially removable aliens. In many cases, these aliens must be detained while they go through immigration proceedings and until they are removed. Often the number of apprehensions exceeds the detention space available and ICE must prioritize which cases will be detained. Custody Operations provides safe, secure, and humane confinement for these aliens. It also ensures that aliens in ICE custody appear for their immigration hearings, and then for their subsequent removal.

ICE secures bed space in detention facilities, and monitors these facilities for compliance with national Detention Standards. The standards specify the living conditions appropriate for detainees and ensure that detainees are treated with respect, dignity and the best possible care while they are in the custody. A special unit monitors conditions of confinement to ensure that facilities utilized for ICE detainees are safe, secure, and humane and that these facilities maintain appropriate conditions of confinement consistent with correctional industry standards and practices.

ICE operates eight secure detention facilities called Service Processing Centers (SPCs). They are located in Aguadilla, Puerto Rico; Batavia, New York; El Centro, California; El Paso, Texas; Florence, Arizona; Miami, Florida; Los Fresnos, Texas; and San Pedro, California. The newest SPC, the Buffalo Federal Detention Facility, accommodates 300 beds for detained aliens of which 150 beds are available for use by the U.S. Marshals Service. Nearing completion, the construction of two new Administration and Processing Complexes are expected to improve operational efficiency at the Krome and Port Isabel SPC. With construction scheduled to begin during fiscal year 2006, design of new detention capacity

at Krome, Batavia, and Port Isabel Service Processing Centers is nearing completion.

ICE also has seven contract detention facilities. These facilities are located in Aurora, Colorado; Houston, Texas; Laredo, Texas; Seattle, Washington; Elizabeth, New Jersey; Queens, New York; and San Diego, California. ICE also uses state and local jails on a reimbursable basis and has joint federal facilities with the Bureau of Prisons, the Federal Detention Center in Oakdale, Louisiana, and the contractor owned and operated criminal alien facility in Eloy, Arizona.

ICE has launched an effort to consolidate facilities based on careful analysis of requirements and is currently developing plans to build a system which will consist of facilities with 1,000 beds or greater. ICE is currently developing plans to consolidate its detention capacity across the country by building a system which will consist of facilities of 1,000 beds or greater located strategically across the United States. These facilities will serve designated cases throughout the adjudication process and will increase efficiency due to the immediate proximity between the detainee and case management staff, attorneys, Executive Office of Immigration Review, and removal locations. The plan includes maximizing the utilization of existing facilities and excess detention capacity in an effort to reduce costs and activation time. Initiatives to consolidate populations have already been implemented in strategic geographic areas such as San Diego, Phoenix, San Antonio, Seattle, New York and Houston.

The Division of Immigration Health Services (DIHS) manages primary health care for alien detainees. The DIHS is located within the Bureau of Primary Health Care of the Public Health Service of the Department of Health and Human Services (HHS). Through comprehensive health screening and the provision of direct patient care and managed care services to approximately 20,000 detainees, DIHS serves as a model for global health services delivery. A managed healthcare program is being implemented system-wide to ensure adequate and appropriate care is provided to all detainees at the lowest possible cost.

The breadth of responsibilities within the detention program requires a readiness to respond to a variety of emergency situations. An example is mass migration planning. ICE has been an essential component in the development of Operational Plan Vigilant Sentry, delegating DRO responsibility for the security, custody, and transportation of arriving migrants during a mass migration event. ICE, in partnership with the Department of State and Department of Defense, has continually defined organizational responsibilities for management of migrants interdicted at sea and taken to the Migrant Operations Center in Guantanamo Bay, Cuba. ICE has modified existing buildings and created new structures to accommodate custody of interdicted migrants until their cases can be resolved.

The Custody Operations Program/Project Activity includes the Criminal Alien Program (CAP), formerly the Institutional Removal Program. Many removable aliens are currently incarcerated in federal or state prisons after having been convicted of a crime. If these aliens are released upon completion of their criminal sentence, they pose a potential danger to public safety and national security. The CAP ensures that these aliens are not released back into the community before they are entered into removal proceedings. Through the CAP, ICE officers interview incarcerated aliens to determine whether they are amenable to immigration proceedings. This saves ICE significant detention resources because these aliens are at or near the end of the immigration court process at the time they are released into DRO custody at the conclusion of their criminal sentence. If a case receives a final order of removal, ICE officers will immediately take that alien into custody upon completion of his or her criminal sentence and then prepare that case for removal.

The CAP improves public safety by identifying and removing criminal aliens and by managing security threats within DRO's detained alien population. The CAP is responsible for formulating all DRO criminal alien management policy, conducting criminal alien program planning, defining and projecting criminal alien management requirements, programming and budgeting criminal alien management resources, and overseeing Field Office Director (FOD) execution of criminal alien management funding.

The CAP was previously with the Office of Investigations. Congress provided $30 million in the FY 2005 appropriation to initiate the OI-to-DRO transfer of this program and to fund 279 positions to free up criminal investigative assets and to replace them with DRO immigration enforcement agents (IEAs). Criminal aliens comprise more than half of the total detained population and the numbers likely continue to rise due to enhanced enforcement efforts like CAP and 287(g) (local law enforcement authority to enforce immigration violations. Criminal aliens comprise a significant portion of the mandatory detention population. The mandatory population also contains those individuals who have received final orders of removal and whose removal is imminent, those who are pending expedited removal activities, and those who are otherwise required by law or policy to be detained.

In FY 2005, consistent with stringent detention standards, inspections were conducted for 312 of 350 facilities used for the temporary and safe housing of aliens. Of the 312 facilities inspected, 70% received a rating of acceptable or better. Efforts to improve the less-than-acceptable conditions at the remaining facilities are underway.

Service Processing Centers situated in Krome, Florida and Port Isabel, Texas were re-certified by the American Correctional Association (ACA). This is significant because an ACA accreditation attests to a facility's good-faith effort to improve conditions of confinement that make it a safer and more humane environment for staff and detainees.

Under the Criminal Alien Program (CAP), 5,000 incarcerated aliens were interviewed. Of those interviewed, 3,000 were placed in immigration proceedings for removal. The CAP remained in partial transition in FY 2005 from the Office of Investigations Institutional Removal Program to DRO.

In FY 2006, DRO plans to improve conditions at the sub-standard facilities that were inspected in FY 2005 and plans to pursue an aggressive inspection program that meets or exceeds standard-quality conditions for remaining detention facilities. DRO also plans to obtain ACA accreditation for all DRO-operated facilities.

DRO plans to expand the CAP to New York and California. DRO will also strive to efficiently manage the CAP resources and realize cost savings by increasing the percentage of incarcerated aliens placed in immigration proceeding and by reducing detention days - provided the program can effect an optimal level of turnover for incarcerated aliens requiring minimal (or no) detention upon discharge from prison. DRO plans to complete the final phase of the CAP migration from the Office of Investigations Institutional Removal Program.

In FY 2007 DRO will acquire an additional bed space 6,000 beds and the associated staff as part of the Secure Border Initiative (SBI). As a result, DRO plans to step up all levels of effort to provide increase detention capacity and to manage the subsequent growth in detention population.

DRO plans to: continue its aggressive inspection program; provide standard-quality conditions for additional facilities; and sustain ACA accreditation for all DRO-operated facilities.

DRO plans the further expansion of the CAP within New York and California. Plans also include expanding CAP to additional sites in Arizona and select sites in Texas.

The following table provides a detailed breakout of base and proposed levels of beds and the related staff within Custody Operations, as well as other areas of the DRO request.

DRO	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Custody Operations				
Beds	18,500	20,800	26,800	6,000
Immigration Enforcement Agents	2,450	2,794	3,114	320
Detention Officers	179	436	596	160
Support	359	490	570	80
Fugitive Operations				
Beds	-	-	716	716
Teams	44	52	70	18
Immigration Enforcement Agents	27	35	91	56
Detention Officers	264	308	402	94
Support	48	56	84	28
Institutional Removal Program				
Immigration Enforcement Agents	143	280	280	-
Detention Officers	171	171	171	-
Support	74	74	74	-
Alternatives to Detention				
Immigration Enforcement Agents	6	68	68	-
Detention Officers	6	6	6	-
Support	51	51	51	-
Transportation and Removal				
Immigration Enforcement Agents	114	-	-	-
Detention Officers	142	-	-	-
Support	100	-	-	-

Note: Positions that were previously in Transportation and Removal are now in Custody Operations. The positions were moved when ICE configured its PPAs to a new structure.

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PPA: Detention and Removal – Fugitive Operations

	Perm Pos	FTE	Amount
2005 Actual	**173**	**166**	**$80,815**
2006 Enacted	**435**	**400**	**$108,912**
2007 Adjustments-to-Base	---	30	4,736
2007 Current Services	**435**	**430**	**113,648**
2007 Program Change	179	90	60,136
2007 Request	**614**	**520**	**173,784**
Total Change 2006-2007	179	120	64,872

ICE requests $173.8 million for this activity. This is an increase of $4.7 million over FY 2006 for pay and non-pay adjustments, as well as a total program increase of $60 million for additional fugitive operations teams.

CURRENT SERVICES PROGRAM DESCRIPTION

As of January 2006, there were approximately 558,000 alien absconders. This problem has emerged over time as the result of several factors, such as: the failure of aliens to appear for immigration hearings or removal; insufficient detention, case management, and removal resources; and statutory changes that have made more categories of aliens deportable. To address this problem, DRO has developed Fugitive Operations Units, which are dedicated to the location and apprehension of absconders. The Fugitive Operations Unit is comprised of two primary components: parts: Headquarters Operations and Field Teams. The field teams consist of a Supervisory Deportation Officer, four Deportation Officers, an Immigration Enforcement Agent and a Deportation Assistant. Their mission is to apprehend, process and remove from the United States aliens who have failed to surrender for removal or to comply with a removal order. Fugitive Operations Units work exclusively on fugitive cases, giving priority to the cases of criminal aliens. Fugitive Operations uses the data available from National Crime Information Center (NCIC) databases.

The first 16 Fugitive Operations Units were funded in FY 2004, and are in the following cities: Los Angles (2 teams), Boston, San Francisco, Miami, Houston, NY City (2 teams), Chicago, Newark (2 teams), Detroit, Atlanta, Baltimore, San Diego, and Seattle. An additional 28 units were added in FY 2005. As part of Fugitive Operations, DRO has implemented a Ten Most Wanted Criminal Alien program that has successfully apprehended 20 Top Ten cases. This program takes nominations from DRO field offices, reviews the data received, ranks them by the severity of the crime and the ability to identify the subject, and determines who should be posted on the most wanted list. While all violent criminals are considered, those that fall under "Operation Predator" guidelines are given top priority.

Also, DRO has developed a "Hot Leads" program that identifies fugitive leads from a Treasury Enforcement Communications System (TECS)/ Deportable Alien Control System (DACS) interface.

This interface matches queries in TECS by U.S. Custom and Border Protection (CBP) inspectors at ports of entry with fugitives identified in DACS, and provides the latest information on the fugitive. DACS information is updated in TECS nightly. This program also receives "Hot Leads" from U.S. Citizenship and Immigration Services (CIS) Service Centers who are adjudicating applications for benefits. Although not a real-time operation, it supplies the FOU with timely information that is forwarded to local fugitive teams for follow-up.

In FY 2005 fugitive operations teams apprehended 15,208 individuals. Among the apprehended: 11,198 were fugitive aliens; 4,010 were charged with violation of immigration laws; 270 were sexual predators. A total of 10,469 were removed from the United States; and 4,739 were placed in immigration proceedings.

Hiring personnel to staff an additional eight teams is planned for FY 2006, to raise the cumulative total to 52 teams. The recently added eight teams will be fully operational in FY 2007. The performance target for each fugitive operations team is 1,000 apprehensions annually.

In FY 2007 the program increase provides resources for 18 additional fugitive operations teams. Added to the 52 teams funded through FY 2006, the number of fugitive operations teams in FY 2007 is expected to total 70. At least 24,125 apprehensions are anticipated.

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PPA: Detention and Removal – Alternatives to Detention

	Perm Pos	FTE	Amount
2005 Actual	**12**	**12**	**$12,782**
2006 Enacted	**132**	**102**	**$29,683**
2007 Adjustments-to-Base	---	30	12,976
2007 Current Services	**132**	**132**	**42,659**
2007 Program Change	---	---	43
2007 Request	**132**	**132**	**42,702**
Total Change 2006-2007	---	30	13,019

ICE requests $42.7 million for this activity. This is an increase of $13 million over FY 2006 for pay and non-pay adjustments.

CURRENT SERVICES PROGRAM DESCRIPTION

DRO has had to apply rigorous criteria to determine which apprehended aliens should be detained. National security and public safety are ICE's first priorities. ICE detains all aliens who pose a threat to community safety or national security, and those required to be detained under the nation's immigration laws. Those alternatives include release using electronic monitoring devices (EMD) and the Intensive Supervision Appearance Program (ISAP).

The EMD program ensures compliance with appearance at court and removal orders without detention in a detention facility. Under this program aliens awaiting immigration court hearings or removal wear either a monitoring ankle bracelet or report by telephone to a case manager. Originally available only at specific pilot sites, the EMD program is now being implemented nationwide.

The Intensive Supervision Appearance Program is a program that is only available to aliens who are not subject to mandatory detention; who are pending immigration court proceedings or awaiting removal from the United States; are residing within the managed area; and are not deemed a threat by DHS. ISAP is a voluntary program and all participants must agree to comply with the conditions of their release. Case specialists are then assigned a limited caseload of participants and are responsible for monitoring those participants in the community by using tools such as electronic monitoring (bracelets), home visits, work visits and reporting by telephone. Case specialists will also assist participants in obtaining pro-bono counsel for their hearings and help them to receive other types of assistance to which they may be entitled. The ISAP program has the capacity to supervise up to 200 aliens in each of eight cities: Baltimore, Philadelphia, Miami, St. Paul, Denver, Kansas City, San Francisco and Portland, Oregon. With funding provided in FY 2005, DRO is in the process of

doubling the capacity at each of the existing eight cities, and adding a ninth city. Funding in the FY 2006 revised enacted request would allow the IASP program to expand to a ninth and tenth city. IASP is a cost effective alternative to detention, with an average daily cost of only $22 compared to $95 for detention.

During FY 2005, approximately 2,400 aliens participated in the Intensive Supervision Appearance Program (ISAP) - a pilot program that works in conjunction with alternative detention for low risk aliens. Participants in the ISAP were credited with a 94% appearance rate at immigration court proceedings. In comparison, the non-detained appearance rate is 34% for aliens not participating in ISAP.

In FY 2006, DRO plans to assess the ISAP and Electronic Monitoring Device (EMD), and to expand the level of effort to include additional locations. While the programs show potential for success, the invariably protracted length of time between immigration proceedings makes it difficult to measure the true success of the programs in a single year.

In FY 2007, DRO will sustain efforts to support ISAP and EMD programs as effective alternatives to detention of low risk aliens engaged in immigration proceedings.

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PPA: Detention and Removal – Institutional Removal Program

	Perm Pos	FTE	Amount
2005 Actual	**163**	**152**	**$54,666**
2006 Enacted	**568**	**495**	**$101,519**
2007 Adjustments-to-Base	---	68	8,529
2007 Current Services	**568**	**563**	**110,048**
2007 Program Change	1	1	202
2007 Request	**569**	**564**	**110,250**
Total Change 2006-2007	1	69	8,731

ICE requests $110.3 million for this activity. This is an increase of $8.5 million over FY 2006 for pay and non-pay as well as a small program increase of $202 thousand to complete the CAP realignment from IRP.

CURRENT SERVICES PROGRAM DESCRIPTION

The total detained criminal alien population in FY 2007, serving sentences at the federal state and local level, is an estimated 630,000 nationwide. Approximately 79,000 criminal aliens were removed in FY 2005. Therefore, an estimated 551, 000 criminal aliens have not yet been identified for removal. An estimated additional 275,000 are in the United States illegally. The Criminal Alien Program (CAP) was created to address screening and removal needs associated with this population.

The CAP identifies criminal aliens who are incarcerated within federal, state, and local facilities and prepares them for immigrations proceedings, ensuring that they are not released into the community. The identification and processing of incarcerated criminal aliens prior to release reduces the overall cost and burden to the federal government as the number of aliens detained by ICE.

CAP ensures that criminal aliens are not released back into the community and are removed from the United States. The workload for each ICE officer is about 300 charging documents served per year. This figure encompasses the number of interviews and record checks of individuals that are not amenable to removal but are of foreign birth.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Program Performance Justification
(Dollars in thousands)

PPA: Detention and Removal – Transportation and Removal

	Perm Pos	FTE	Amount
2005 Actual	**381**	**360**	**$201,210**
2006 Enacted			**$142,140**
2007 Adjustments-to-Base			10,895
2007 Current Services			**153,035**
2007 Program Change			163,981
2007 Request			**317,016**
Total Change 2006-2007			174,876

ICE requests $317 million for this activity. This is an increase of $10.9 million over FY 2006 for non-pay adjustments. Staff has been moved to Custody Operations PPA. The program increase of $164 million includes funding for expedited removal in support of the SBI.

CURRENT SERVICES PROGRAM DESCRIPTION

Aliens in ICE custody must be transported safely and securely from point of apprehension through the other phases of their immigration proceedings. If an alien receives a final order of removal from an immigration judge, the alien must be removed from the United States. The Transportation and Removals Management program provides safe and secure transportation of aliens in ICE custody. It also prepares for and conducts removals from the United States, as ordered by an immigration judge.

The Removal Management Division is responsible for formulating all DRO transportation and removal policy, conducting transportation and removal planning, defining and projecting transportation and removal requirements, and overseeing and supporting FOD execution of transportation and removal funding. The division carries out its responsibilities through four supporting units: (1) Air Transportation; (2) Travel Documentation; (3) Centralized Ticketing; and (4) Custody Determination, including oversight of the DRO Cuban Unit and Post Order Custody Review (POCR) operations.

The Air Transportation Unit (ATU) manages the DRO portion of the Justice Prisoner and Alien Transport System (JPATS) and all ground transportation operations.

The Travel Document Unit (TDU) has been involved in an interagency Visa Sanctions Working group to compel greater cooperation from several countries that routinely refuse to accept or unreasonably delay the acceptance of repatriation of their own nationals.

DRO is the first component of ICE to implement a Centralized Ticketing (CENTRIX) system nationwide to increase cost-savings and centralize control of removal operations. DRO field office

previously purchased commercial airline tickets from local travel agencies. Now DRO headquarters manages the resources and officers no longer have to use their individual travel, thereby reducing delinquent travel card accounts.

The Transportation and Removal Program/Project Activity includes case management activities. Aliens apprehended for violation of immigration law must be processed expeditiously and in accordance with laws and regulations. The Case Management program ensures that apprehended aliens are processed through the immigration legal system and afforded rights under the law by managing alien cases initiated by other immigration enforcement programs pending a final decision on the case by an immigration judge.

Case Management is responsible for the processing of aliens apprehended for violations of immigration law in an expedient manner and in accordance with all laws and regulations. The program ensures that apprehended aliens are processed through the immigration legal system and afforded rights under the law. This program manages alien cases initiated by other enforcement programs pending a final decision on the case by an immigration judge.

The implementation of the Custody Determination Unit (CDU) has ensured DRO's compliance with applicable custody review regulations, thereby reducing adverse litigation and limiting DRO's liability in habeas actions. The Field Oversight Program (FOP) developed by CDU, monitors and oversees case management operations of detained aliens under a final order of removal. This program has ensured that field offices follow up on custody reviews, travel document requests, and take appropriate case management actions in the cases of detained aliens.

In FY 2005, DRO devoted resources for the Centralized Ticketing Unit to procure dedicated contract support to assist with finances, analyses, and information technology that would advance transportation and removal capabilities. DRO also completed a comprehensive removal guide that includes essential information on foreign countries, transit and transportation requirements and points of contact.

Pending the creation of three permanent officer positions to oversee and coordinate removals from abroad, DRO detailed an officer to Frankfurt, Germany. Preparations to detail an officer to the Netherlands are underway.

In FY 2006, DRO plans to pursue ways to use Centralized Ticketing for improving transportation and removal services, work with government agencies and embassies to accelerate issuance of travel documents for aliens pending removal from the United States, and make the database portion of removal guide available online to appropriate field personnel.

In FY 2007 the program increase will fund the transportation services necessary to support the anticipated volume of expedited removals associated. Centralized Ticketing is expected to facilitate removal activities.

DRO will continue to engage other government agencies and embassies to accelerate the issuance of travel documents for aliens pending removal from the United States and engage other government agencies and embassies to expedite the issuance of travel documents for aliens pending removal from the United States.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Salaries and Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Internal Controls/Financial Audit

Strategic Goal(s) & Objective(s): 2.2 Enforce Trade and Immigration Laws
PPA: Multiple

Program Increase: Positions 8 FTE 4 Dollars $1,000
Legal Proceedings Positions 1 FTE .5 Dollars $125
Investigations Positions 4 FTE 2.0 Dollars $500
DRO Positions 3 FTE 1.5 Dollars $375

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							-	-	$-
Program Increase							8	4	1,000
Total Request	-	-	**$-**	-	-	**$-**	**8**	**4**	**$1,000**

Description of Item
The funding for this program increase is required to staff a stand-alone division ICE Office of Financial Management (OFM). The purpose of the division is to perform planning, evaluation, testing, transaction analysis, and reporting on internal controls over financial reporting of annual and quarterly financial statements, periodic reports to the Department of the Treasury and the Office of Management and Budget (OMB), as well as internal management reports. The establishment of the division within the OFM organizational structure indicates the importance of internal controls to ICE management.

The implementation of effective internal controls will be conducted in five phrases:

(1) Planning phase which includes determining scope and processes with material impact on the financial reports, evaluating organizational structure, assessing risk, structuring review activities, planning and monitoring testing approach;

(2) Evaluation phase of existing controls at the organizational entity level which includes conducting interviews, reviewing materials to develop an understanding of the key processes, evaluating and documenting controls, and assessing effectiveness;

(3) Evaluation phase of existing controls at the business process level, e.g., payment processing, revenue processing, procurement, asset management, budget execution, etc.

(4) Test phase of effective controls at the transaction levels which involves identifying key internal and application (system) controls, identifying key IT controls, assessing the effectiveness of the design for the controls, reviewing system outputs, and comparing actual results to intended results; and

(5) Conclusion development phase that includes recommendations and corrective action plans required to address weaknesses identified in the testing phase.

Staffing requirements for this program increase are based upon comparable levels of personnel resources utilized for financial statement audits.

$802,000 of this increase will fund eight positions:

- 1 GS-15 Director to head the Division and provide planning, oversight, direction and supervision of the subordinate staff;
- 3 GS-14 Senior Staff Accountants to perform the activities required to carry out the assessment cycle and to provide team leadership;
- 3 GS-14 Staff Accountants to perform assessment cycle activities; and
- 1 GS-12 Technical Writer to provide documentation support and report writing for the activities of the division.

The remaining $198,000 will fund travel for 20 site visits, 320 hours of training and 100 hours of contractor support. Travel associated with the site visits is planned for locations where documentation is maintained, where operations occur, and where direct observation is needed. At a minimum, site visits will be conducted to observe payment processing in Texas, revenue and collection processing in Vermont, and personnel/payroll processing in California. Travel to these locations, which process thousands of transactions each month, will likely involve two or three persons and span five days.

Continuing professional education (CPE) training costs are also included in this request since the nature of the duties performed are comparable to those of financial statement auditors and therefore require maintaining certain competencies. Maintenance of professional certifications requires a minimum of 40 hours of continuing professional education each year.

The evaluation of certain processes and operations, such as information technology centers, may require specialized knowledge that is external to the financial domain. In these instances, contractor support will be needed to bridge the gap. Contractor support may also be needed to assist staff activities with unanticipated complexities and to ensure compliance with certain tight deadlines.

Justification

The Department of Homeland Security Financial Accountability Act requires that the annual Performance and Accountability Report (PAR) include an assertion by the Secretary on the adequacy of internal controls that apply to financial reporting. In addition, the Act requires the Secretary to include an audit opinion over the Department's internal controls over financial reporting.

Requirements for internal control reporting and audit impose significant management challenges and resource demands on the Department and Department components. For ICE, the effort requires a competent and skillfully-trained staff that is permanent and dedicated to developing:

- Internal control process analysis documentation,
- Internal control test of design and test of operating effectiveness,
- Precise remediation strategies for material weaknesses in internal control, and
- Feedback support to project management for the DHS Internal Control Committee.

In addition to planning, evaluating, and reporting, ICE will test and document the operating effectiveness of the internal controls. Previously, independent auditors performed this work. Testing and documentation requirements are expected to entail the most significant workload. Responsibility for carrying out the internal control assessment tasks has been assigned to ICE OFM.

Currently, there are no dedicated OFM resources in base funding to perform the required internal control activities. There is currently one accountant, serving on a temporary appointment, performing a limited range of internal control planning on a full-time basis. The manager providing oversight and direction to this accountant is doing so on a collateral duty basis.

Impact on Performance (Relationship of Increase to Strategic Goals)
As an administrative support program for the immigration and trade law enforcement operations for ICE, OFM is responsible for providing financial reporting requirements for both internal and external purposes. The implementation of internal controls over financial reporting is intended to lend integrity and confidence in affected reporting and is expected to ensure work products are timely and measurably-improved quality. A primary measure is an unqualified audit opinion on financial statements. Proper planning, evaluation, testing and documentation of internal controls are contributable factors that are essential to this achievement. Without sound internal controls over financial reporting that have been tested and documented, it will not be possible to obtain an unqualified audit opinion on ICE financial statements. Because ICE currently performs accounting services for other DHS components, any weakness in ICE internal controls will adversely impact the components as well as DHS as a whole.

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Salaries and Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Procurement Improvement

Strategic Goal(s) & Objective(s): 2.2 Enforce Trade and Immigration Laws
PPA: Multiple

Program Increase:	Positions	32	FTE	16	Dollars	$3,600
Legal Proceedings	Positions	2	FTE	1	Dollars	$ 225
Investigations	Positions	19	FTE	10	Dollars	$2,140
DRO	Positions	11	FTE	5	Dollars	$1,235

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							--	--	--
Program Increase							32	16	3,600
Total Request	**55**	**45**	**$8,412**	**55**	**52**	**$10,022**	32	16	3,600

Description of Item
This request will fund 32 positions needed within the ICE Office of Procurement to improve office operations and to keep pace with increased work levels without jeopardizing program office deadlines and overall quality in procurement actions. With this staffing increase, the Office of Procurement will be able to complete planned upgrades of information technology systems, respond to audits and data calls with increased accuracy, and improve lead times in major acquisition planning initiatives.

$3,031,000 of this increase would fund 32 positions:

- 1 GS-1102-15 Policy Oversight Contracting Officer;
- 4 GS-1102-15 Senior Management/Branch Chiefs
- 9 GS-1102-14 Senior Contracting Officers;
- 8 GS-1102-13 Contracting Officers; and
- 10 GS-1102-12 Contracting Specialists.

The remaining $569,000 in resources will fund PRISM Procurement Software Licenses for new users, contracting training classes required for Purchasing Warrant Authority, and additional office equipment and operating expenses.

Justification
Each year, the ICE Office of Procurement oversees $1.9 billion in acquisitions that directly support all ICE program offices. Specifically, the Office of Procurement processes over 4,800 requisitions, resulting in the award of approximately 3,900 procurement actions each year. This is in addition to

responding to over 50 procurement data calls, 736 procurement reviews and participation in the resolution of five to seven major litigation actions (e.g., protests, claims, etc.)

The Office of the Inspector General (OIG) has found that one of the most significant vulnerabilities Department-wide is the lack of sufficient staff to execute critical procurement functions. Additionally, a GAO audit review of 42 of 185 active ICE contracts identified a need for consistent improvement in the areas of acquisition planning (to promote competition) and contract monitoring (to improve contract administration). Both issues, if not properly addressed through adequate contracting staff and appropriate management oversight, could lead to significant management problems.

Impact on Performance (Relationship of Increase to Strategic Goals)
Funding this program increase for procurement improvement ensures that ICE program offices and operations have the necessary weapons, ammunition, body armor, surveillance systems, and other mission-essential products and services needed to protect the continuity of the overall ICE mission.

Additional staffing will provide that the needed products and services are purchased/acquired and delivered in a timely manner. Procurement lead time is defined as the estimated amount of time it takes to fulfill a contract action once a complete requirements package is received. The ICE Office of Procurement's current lead time for contract actions in excess of $100,000 is 75 to 180 days, depending on the complexity of the action. For competitive commercial contracts, the lead time is approximately 75 days. The program increase will provide the additional staff to process big ticket actions and to perform necessary oversight to improve the quality of the contract action while simultaneously reducing lead time by 25 to 35 percent.

As outlined in the GAO report and other studies conducted by the CPO, reducing the volume of transactions per Contract Specialist will improve the quality, timeliness, and accuracy of procurement actions and provide for better compliance with policy, processes, and operating procedures. Consequently, the Office of Procurement expects to improve customer service and satisfaction for ICE programs as well as afford the opportunity to conduct spend analyses that will identify areas for strategic purchasing and improvement of purchasing power; thus generating cost savings for ICE programs and resulting in effective buying practices.

Contracts procured to support ICE mission-critical activities are highly visible, complex, and demand integrity of the procurement process. An enhancement of dedicated, critical positions within the ICE Office of Procurement will improve procurement efforts and will help to reduce the potential for errors, omissions, delays, unattainable deadlines, and other work-related malfunctions attributable to inadequate personnel resources; thereby drawing unneeded attention of the media, DHS OIG, GAO, committees of Congress, and other high-ranking administrative officials.

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Salaries and Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Compliance Investigations

Strategic Goal(s) & Objective(s): 2.2 Enforce Trade and Immigration Laws
PPA: Law Enforcement

Program Increase: Positions 54 FTE 27 Dollars $10,017

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							130	130	$26,764
Program Increase							54	27	$10,017
Total Request	**130**	**65**	**$16,000**	**130**	**130**	**$26,188**	**184**	**157**	**$36,781**

Description of Item
Funding will support an expansion of ICE's Office of Investigations' Compliance Enforcement Unit (CEU). The expansion would provide a total of 54 (46 Special Agent, and 8 Investigative Support) positions in addition to the 130 current positions. SEVIS fees will fund 23 agents to support compliance enforcement.

Justification
Millions of nonimmigrant aliens enter the United States every year to visit, work and attend school. Some of these individuals will overstay their term of admission for economic or personal reasons, but others may do so for more sinister reasons. To combat the threat to national security, DHS employs the National Security Entry Exit Registration System (NSEERS), the Student and Exchange Visitor Information System (SEVIS), and the U.S. Visitor and Immigrant Status Indicator Technology System (US-VISIT) to track nonimmigrant aliens during their stay in the United States. The responsibility for enforcing compliance with the terms of admission, as tracked by these programs, lies with the ICE CEU. The additional positions will help ICE increase visa and visa-overstay investigations.

Impact on Performance (Relationship of Increase to Strategic Goals)
The requested increase in positions for compliance enforcement investigations directly supports DHS Strategic Goal 2 - Prevention, Objective 2.2 "Enforce trade and immigration laws." By ensuring consequences for immigration violations, integrity will be restored to the immigration system. This will result in increased security of the immigration system, a reduction in the number of malafide nonimmigrant aliens, facilitation of bona fide nonimmigrant alien processing, and promotion of international respect for the U.S. borders.

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Salaries and Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Worksite Enforcement

Strategic Goal(s) & Objective(s): 2.2 Enforce Trade and Immigration Laws
PPA: Law Enforcement

Program Increase: Positions 206 FTE 103 Dollars $41,681

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							124	124	$38,229
Program Increase							206	103	$41,681
Total Request	**23**	**12**	**$5,000**	**124**	**74**	**$38,000**	**330**	**227**	**$79,910**

Description of Item
The request will fund 206 additional positions within the ICE Office of Investigations devoted to worksite enforcement efforts. With this staffing increase, the Office of Investigations will increase investigations of employers that attract significant numbers of illegal and undocumented workers. Funding is requested for 171 Special Agents and 35 support positions.

Justification
Expanding our enforcement of immigration laws at worksites is another key element of any comprehensive border enforcement and control strategy. Resources devoted to worksite enforcement activities declined steadily in the years following the passage of the 1986 Immigration Reform and Control Act (IRCA), which made it unlawful for employers to knowingly employ undocumented aliens. The worksite enforcement program's post-9/11 focus on national security related critical infrastructure protection operations further led to a reduction in the number of agents available to conduct traditional worksite enforcement investigations (see GAO-05-822T *Preliminary Observations on Employment Verification and Worksite Efforts* released June 2005).

The requested increase will significantly enhance worksite enforcement activity, which will create a deterrent effect to illegal immigration and stem demand for undocumented labor.

The requested funding is more than double the resources in FY 2005 and FY 2006 and will increase worksite enforcement efforts as part of the President's plan for comprehensive immigration reform.

Impact on Performance (Relationship of Increase to Strategic Goals)

Worksite Enforcement is a primary illegal immigration prevention tool that works to shut down the U.S. demand for undocumented labor, thus fitting directly under the DHS goal of Prevention and the strategic objective 2.2, "Enforce Trade and Immigration Laws." The increase in staffing will significantly enhance enforcement activity, which will create a deterrent effect and increase the discovery of violations.

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Salaries and Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase: State and Local Law Enforcement Support

Strategic Goal(s) & Objective(s): 2.2 Enforce Trade and Immigration Laws
PPA: Law Enforcement

Program Increase: Positions 65 FTE 33 Dollars $4,326

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							242	238	$17,880
Program Increase							65	33	$4,326
Total Request	**242**	**233**	**$15,500**	**242**	**238**	**$17,500**	**307**	**271**	**$22,206**

Description of Item
The request includes $400,000 for training to support implementation of the provisions of Section 287(g) of the Immigration and Nationality Act (INA) to delegate authority to enforce limited immigration functions to a larger number of State and local law enforcement officers.

The request provides $3,926,000 for additional Law Enforcement Technicians (LETs) for the ICE Law Enforcement Support Center (LESC) in response to increasing demands by law enforcement officers for up-to-the-minute information on immigration alien queries. Funding will provide 58 LETs and 7 Supervisory LETs to assist with answering about 700,000 inquiries anticipated for FY 2007 from law enforcement officers. For FY 2005, the total number of law enforcement queries was 667,502. As of December 2005, the total number of queries was 148,946.

Justification
Section 287(g) of the Immigration and Nationality Act authorizes the Secretary of Homeland Security to enter into written agreements to delegate authority to enforce federal immigration laws to state and local law enforcement officers. Participation by state and local governments is completely voluntary. Delegation is granted only after extensive training from ICE, and delegated officers perform immigration enforcement functions under direct ICE supervision. Section 287(g) requires that a written memorandum of understanding (MOU) be created that defines the authorities being certified, the training requirements, the required supervision, the length of the agreement, and any other important issues, including regular meetings to review progress and adherence to the MOU. The level of interest in the 287(g) Delegation of Authority Program from state/local agencies has increased, thus creating the potential to improve immigration enforcement.

The ICE LESC, located in Williston, Vermont, provides information to law enforcement, primarily State and local, on the immigration status of foreign-born persons encountered in the course of law enforcement duties. The LESC operates 24 hours a day, 365 days a year, and provides these services to all United States law enforcement, regardless of whether they participate in the 287(g) program or not. Law Enforcement Technicians (LETs) query eight separate databases for immigration information as well as national and State criminal wants, warrants, and historical databases to formulate a response to law enforcement on the immigration status of the individual. These services are provided not only to law enforcement officers working the streets, but also to investigators, pre-trial and probation officers, and officers working in detention facilities. LETs also enter data into the National Criminal Information Center (NCIC) Immigration Violator File (IVF) on persons who have been deported or are scheduled to be deported but have absconded. The IVF now contains the names of over 150,000 individuals who are subject to arrest if located in the United States.

Impact on Performance (Relationship of Increase to Strategic Goals)
As a force multiplier for ICE immigration enforcement, the 287(g) program allows ICE to train, certify, and supervise State and local law enforcement officers in domestic security task forces, motor vehicle licensing offices, and correctional institutions. These officers can perform immigration-related enforcement operations targeting criminal aliens, fraudulent document vendors, illegal aliens working in sensitive critical infrastructure positions, and violent sexual offenders. Further, the 287(g) program assists the participating State/local agencies in ensuring the integrity of their internal licensing/benefit systems and removes criminal aliens from their jails and probation/parole programs, all of which pose a significant financial burden to the State/local governments. The linking of 287(g) Delegation of Authority Program and the CAP is achieved through the development and initiation of a formal MOU between ICE and a state/local/county jail. The MOU authorizes ICE to train and certify officers from the state/local/county entity to perform immigration enforcement duties from within the prescribed jail. Those certified officers identify criminal aliens, conduct record checks using ICE databases and process the alien for removal. This serves as a force multiplier for the CAP and is done under ICE supervision.

Since its creation, the number of queries received by the LESC has increased measurably every year and is likely to continue to increase. The LESC responded to 594,352 Immigration Alien Queries (IAQs) in FY 2003 and 667,460 IAQs in FY 2004. The number of IAQs received by the LESC in FY 2005 exceeded 676,000. Increases in immigration enforcement operations, such as increased participation in the 287(g) program, will increase the IAQ workload at the LESC. On average, responses to inquiries resulting from police street stops take about 20-25 minutes. LESC is working to reduce the response time to 10 minutes, whenever possible. However, without adequate staffing, the higher demand will likely result in longer response times. By providing timely, accurate immigration status information to law enforcement, primarily state and local law enforcement, the LESC ensures that these officers have timely and accurate immigration status information available to them when they need it. State and local law enforcement officers far exceed the number of federal officers and statistically have a far greater chance of encountering illegal aliens in the United States.

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Salaries and Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Law Enforcement Training

Strategic Goal(s) & Objective(s): 2.2 Enforce Trade and Immigration Laws
PPA: Law Enforcement

Program Increase: Positions 0 FTE 0 Dollars $4,444

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									
Program Increase									$4,444
Total Request									$4,444

Description of Item

The request funds the training of ICE detention and investigative personnel at the Federal Law Enforcement Training Center (FLETC). While the request for FLETC includes requested resources for the training of new ICE personnel, the budget request is proposing to test the administrative and efficiency value of funding some FLETC training through reimbursable agreements between components such as CBP and ICE.

Justification

A significant SBI goal is hiring and training additional staff charged with providing required personnel commensurate with additional beds and removal activities the program brings. ICE will send approximately 620 detention officers and immigration enforcement agents, as well as 200 special agents to FLETC to ensure sufficient staff is trained.

Impact on Performance (Relationship of Increase to Strategic Goals)

The requested funds will provide trained and ready special agents and detention personnel to maximize the full potential of the skills, experience and capabilities required to enforce immigration laws. Special agents will possess the skills necessary to conduct investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty). The detention personnel will have the skills necessary to affect an increase in the number of aliens with a final order of removal. Training additional law enforcement personnel is critical to increasing performance of objective 2.2 of the DHS Strategic Plan "Enforce trade and immigration laws."

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Fugitive Operations Unit

Strategic Goal(s) & Objective(s): 2.2 Enforcing Immigration and Trade Laws
PPA: Detention and Removal

Program Increase: Positions 178 FTE 90 Dollars $60,000,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							399	396	$113,648
Program Increase							178	90	$60,000
Total Request	**129**	**138**	**$85,904**	**399**	**366**	**$108,912**	**577**	**486**	**$173,648**

Description of Item
This program increase requests resources to staff 18 fugitive operations teams. There are seven positions assigned for each team: one Supervisory Deportation Officer (SDO), four Deportation Officers (DOs), one Immigration Enforcement Agent (IEA), and one Deportation Assistant (DA), for a total of 126 positions. The request also includes funding for approximately 700 beds required for the additional apprehensions made by the Fugitive Operations teams.

The increase will also fund support personnel including: four DOs to conduct case management, 38 IEAs to handle transportation and custody issues, and 10 DAs to assist with case files.

Justification
Addressing the fugitive alien problem is an important component of SBI. Criminal fugitive aliens pose harm and potential threat to homeland security if not apprehended and removed from the United States. Criminal aliens include terrorists, human smugglers, sexual predators, gang members, drug dealers, purveyors of counterfeit and fraudulent documents and other contraband, persons engaged in black market transactions, money laundering, trafficking, etc.

DRO devotes resources for fugitive operations. Operating as seven-member teams, each team currently averages 500 apprehensions a year with a performance target of 1,000 apprehensions per team.

Appropriated resources for FY 2006 provide funding for up to 52 fugitive operations teams. Combined with the 18 new teams, DRO will oversee a total of 70 fugitive operations teams. Fugitive

operations teams pursue all illegal aliens who have absconded to avoid prosecution and removal from the United States.

The level of effort required by the members of the fugitive operations teams to apprehend absconders does not permit adequate time to process the paperwork for each alien case and to arrange for custody, transportation, and removal. The volume of administrative work generated by the fugitive operations requires the services and assistance of Headquarters and field support. For the 18 teams, 52 support positions are required.

Impact on Performance (Relationship of Increase to Strategic Goals)

The Fugitive Operations is one of five principal programs under DRO. In FY 2005, fugitive operations teams apprehended over 15,000 aliens. Of those apprehended: approximately 11,200 were fugitive aliens, 4,000 were charged with violation of immigration laws, and 270 were sexual predators. An estimated 10,470 were removed from the United States and the remainder was placed in immigration proceedings. The number of alien apprehensions for FY 2006 is projected to be 20,000.

Placement of the fugitive operations teams is typically based on the fugitive alien docket numbers. To provide coverage throughout the United States, at least one team is assigned to work from a field office and select sub-offices. Multiple teams are assigned to areas where fugitive aliens tend to congregate.

Increasing resources for fugitive operations will help to advance enforcement efforts aimed at eliminating the fugitive alien population.

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Increased Detention and Removal

Strategic Goal(s) & Objective(s): 2.2 Enforcing Immigration and Trade Laws
PPA: Detention and Removal

Program Increase: Positions 560 FTE 280 Dollars $386,690,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	-	-	-	-	-	-	3,729	3,652	$1,357,334
Program Increase	-	-	-	-	-	-	560	280	**$386,690**
Total Request	**3,439**	**3,188**	**1,133,886**	**3,720**	**3,459**	**1,210,214**	**4,289**	**3,932**	**$1,744,024**

Description of Item
This program increase supports resources required to provide detention capacity that accommodates the anticipated increase in expedited removal of illegal aliens associated with the SBI. The increase funds the cost for: (1) 6,000 beds ($208 million); (2) transportation and removal services ($94.1 million); and (3) 560 positions that include Immigration Enforcement Agents (IEAs) and Detention Officers (DOs), as well as support staff ($84.6 million).

The resource requirements for this program increase were based on the present level of effort to perform custody management and transportation/removal services for 100,000 'other-than-Mexican' aliens - the profile for expedited removals (ER).

Justification

Currently, all non-criminal Mexican illegal aliens apprehended are returned to Mexico immediately. Expedited removal applies to illegal non-Mexican aliens who are apprehended near our southwestern border—or who are stopped shortly after entering the United States without valid documents. These aliens will be detained and then removed to their home countries as quickly as possible. However, when no bed space is available, these non-Mexican aliens are released and ordered to appear in court at a future date. The ICE request helps eliminate this "catch and release" process.

Secretary Chertoff's goal is to end the practice of "catch and release" and will detain and remove these aliens as quickly as possible from the country. To meet this commitment, the Budget provides funding to add 6,700 new detention beds to hold illegal immigrants while they await removal (including 700

beds for absconders). ICE will also improve the processing and deportation of aliens to cut the detention time for aliens approximately in half—from 32 to 15 days.

In addition to detention beds, detention personnel are required for the processing, detention, and removal of aliens associated with the 6,000 beds and the expedited removal of 100,000 ERs. Resources will fund 54 DOs (Deportation Officers), 176 IEAs, (Immigration Enforcement Officers), and 50 DAs (Deportation Assistants) at a cost of $84.6 million.

The transportation costs (via bus, air, automobile, van) to remove illegal aliens are $94.1 million. Transportation Costs are approximately $1,000 per removal and include costs for vehicles, airfare, fuel, maintenance, and retrofitting of new vehicles purchases.

Impact on Performance

ICE is reducing the detention stay of aliens under expedited removal proceedings from 32 days to approximately 15 days. DRO will also seek to engage government agencies and embassies to expedite the issuance of travel documents for aliens pending removal from the United States. Improved travel document acquisitions, a quicker country clearance, and other efficiencies will result in a decrease in the average detention stay. This will allow for an increase in the number of aliens detained and removed.

Department of Homeland Security
Immigration and Customs Enforcement (ICE)
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Legal Proceedings

Strategic Goal(s) & Objective(s): 2.2 Enforcing Immigration and Trade Laws
PPA: Detention and Removal

Program Increase: Positions 257 FTE 128 Dollars $38,500,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	-	-	-	-	-	-	906	906	$148,853
Program Increase	-	-	-	-	-	-	257	128	$38,500
Total Request	**858**	**819**	**$132,535**	**906**	**882**	**$147,414**	**1,163**	**1,034**	**$187,353**

Description of Item

The request enables the hiring of 257 attorneys required to prepare legal documents, address legal issues, and provide legal representation on behalf of the DHS before immigration proceedings associated with the detention and removal efforts of the SBI.

Justification

The Legal Proceedings program is the DHS legal component that is authorized to represent the federal government in immigration proceedings that end up in immigration courts. Legal Proceedings is essential to the successful completion of the expedited removal process. Without the legal expertise to interpret, uphold, and apply the provisions of immigration law that authorizes the enforcement of expedited removals, frivolous lawsuits would go unchallenged, the efforts of the detention and removal program would be futile, criminal and illegal aliens would go unpunished, and the integrity of the immigration process would be jeopardized.

Legal Proceedings attorneys are responsible for handling a variety of immigration-related issues that arise during the course of expedited removals that include: contested removals, custody determinations, applications for administrative relief, habeas petitions and petitions for review, extraditions, requests for pardons and clemency, plea bargains, paroles, custody standards and regulations, unaccompanied minors, repatriations, forced feedings, chemical restraints, psychiatric evaluations, among other issues. The workload also includes officer authority issues, such as use of

force, weapons carriage and firearms policy, arrests, search and seizure, emergency driving, worksite enforcement, benefits fraud, alien smuggling and trafficking, asset forfeiture, detention authority, fugitive operations.

The average caseload per attorney for this program increase is 390 cases according to caseload projections and includes support personnel inputs. By increasing the use of Expedited Removal, it is assumed that there will be an overall reduction in the caseload of the attorneys once all legal personnel are brought on board.

Impact on Performance
Legal Proceedings handled 352,250 matters in Immigration Court in FY 2005. SBI will increase the number of matters in the Immigration Court, but this increase will reduce the average caseload of attorneys.

This program increase supports the legal enforcement of detention and removal of unlawful aliens and is consistent with Strategic Goal and Objective 2.2, "Enforcing Immigration and Trade Laws."

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Justification of Proposed Changes in Appropriation Salaries and Expenses
Appropriation Language

For necessary expenses for enforcement of immigration and customs laws, detention and removals, and investigations; and purchase and lease of up to 2,740 (2,000 for replacement only) police-type vehicles; [$3,108,499,000] ***$3,902,291,000***, of which not to exceed $7,500,000 shall be available until expended for conducting special operations pursuant to section 3131 of the Customs Enforcement Act of 1986 (19 U.S.C. 2081); of which not to exceed $15,000 shall be for official reception and representation expenses; of which not to exceed $1,000,000 shall be for awards of compensation to informants, to be accounted for solely under the certificate of the Secretary of Homeland Security; of which not less than $102,000 shall be for promotion of public awareness of the child pornography tipline; of which not less than $203,000 shall be for Project Alert; of which not less than $5,000,000 may be used to facilitate agreements consistent with section 287(g) of the Immigration and Nationality Act (8 U.S.C. 1357(g)); and of which not to exceed $11,216,000 shall be available to fund or reimburse other Federal agencies for the costs associated with the care, maintenance, and repatriation of smuggled illegal aliens: Provided, That none of the funds made available under this heading shall be available to compensate any employee for overtime in an annual amount in excess of $35,000, except that the Secretary of Homeland Security, or the designee of the Secretary, may waive that amount as necessary for national security purposes and in cases of immigration emergencies: Provided further, That of the total amount provided, $15,770,000 shall be for activities to enforce laws against forced child labor in fiscal year 2007, of which not to exceed $6,000,000 shall remain available until expended: [Provided further, That of the amounts appropriated, $5,000,000 shall not be available for obligation until the Secretary of Homeland Security submits to the Committees on Appropriations of the Senate and the House of Representatives a national detention management plan, including the use of regional detention contracts and alternatives to detention.] (Department of Homeland Security, [2006] ***2007***).

Explanation of Changes:
Language requiring that $5,000,000 be withheld from obligation until a national detention management plan is submitted to the Committees on Appropriations is proposed for deletion.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**13,012**	**12,427**	**$2,748,745**
2006 Revised Enacted	**14,984**	**14,024**	**3,090,414**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	30	626	209,172
2007 pay increase	---	---	32,523
GSA Rent	---		6,500
Non-pay inflation	---		26,424
Total Increases	30	626	274,619
Decreases			
Termination of one-time costs	---		(13,000)
Total Decreases	---	---	(13,000)
Total Adjustments-to-Base	**30**	**626**	**261,619**
2007 Current Services	**15,014**	**14,650**	**3,352,033**
Program Changes			
Program Increases/(Decreases)			
Internal Controls	8	4	1,000
Procurements	32	16	3,600
Increased Border Enforcement	560	280	386,690
Legal Proceedings	257	128	38,500
Fugitive Operations	178	90	60,000
Compliance	54	27	10,017
Worksite Enforcement	206	103	41,681
State and Local	65	33	4,326
Law Enforcement Training	---	---	4,444
Total Program Changes	**1,360**	**681**	**550,258**
2007 Request	**16,374**	**15,331**	**3,902,291**
2006 to 2007 Total Change	**1,390**	**1,307**	**811,877**

C. Summary of Requirements

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	**13,012**	**12,427**	**$2,748,745**
2006 Revised Enacted	**14,984**	**14,024**	**3,090,414**
Adjustments-to-Base			
Increases	30	626	274,619
Total Adjustments-to-Base	30	626	261,619
2007 Current Services	**15,014**	**14,650**	**3,352,033**
Program Changes	1,360	681	550,258
2007 Total Request	**16,374**	**15,331**	**3,902,291**
2006 to 2007 Total Change	1,390	1,307	811,877

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Headquarters Management & Administration	1,318	1,261	$260,556		---	$4,590	40	20	$ 4,600	1,358	1,281	$269,746	40	20	$9,190
2 Legal	906	882	128,879		24	19,974	257	128	38,500	1,163	1,034	187,353	257	152	58,474
3 Investigations - Domestic	7,411	6,956	1,185,354	20	280	64,414	325	163	56,024	7,756	7,399	1,305,792	345	443	120,438
4 Investigations - International	267	249	100,899		1	1,782	---	---	---	267	250	102,681	---	1	1,782
5 Intelligence	313	302	52,256		---	(877)	---	---	---	313	302	51,379	---	---	(877)
6 DRO - Custody Operation	3,720	3,459	1,005,727	10	193	135,159	560	280	227,334	4,290	3,932	1,368,220	570	473	362,493
7 DRO - Fugitive Operations	399	366	101,852		30	4,601	178	90	60,000	577	486	166,453	178	120	64,601
8 DRO - Institutional removal program	525	454	93,029		68	8,328		---	---	525	522	101,357	---	68	8,328
9 DRO - Alternatives to detention	125	95	28,212		30	12,933		---	---	125	125	41,145	---	30	12,933
10 DRO - Transportation and removal program		---	133,650		---	10,715		---	163,800	---	---	308,165	---	---	174,515
Total	**14,984**	**14,024**	**$3,090,414**	**30**	**626**	**$261,619**	**1,360**	**681**	**$550,258**	**16,374**	**15,331**	**$3,902,291**	**1,390**	**1,307**	**$811,877**

D. Summary of Reimbursable Resources

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
BTS			5,291,922			2,482,000			2,482,000			
CBP			62,039,986			39,669,300			39,669,300			
CIS			72,730,560			54,136,014			54,136,014			
DHS	161	151	43,463,056	161	151	53,633,692	161	151	53,633,692			
FEMA			13,343,210			25,832,200			25,832,200			
DOI			2,500									
DOJ			112,788			1,270,510			1,270,510			
DOJ / JMD						1,500,000			1,500,000			
DOJ / OFDT			668,807									
DOJ / OJP			1,287,858									
DOS			86,151			4,942,319			4,942,319			
FAMS			132,147			2,000,000			2,000,000			
FBI			17,999									
FLETC			31,482									
FPS			3,158,478			10,000,000			10,000,000			
IAP			558,939									
ILEA / DOS			233,647									
NY State Police			12,957									
OCDETF			32,844,940									
Treasury	10	10	40,804,833	10	10	45,799,000	10	10	45,799,000			
TSA			3									
USSS			1,905									
US VISIT			39,249,217			7,532,876			7,532,876			
Various			1,443,159			48,630,248			48,630,248			
Total Budgetary Resources	**171**	**161**	**317,516,544**	**171**	**161**	**297,428,159**	**171**	**161**	**297,428,159**	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Management and Administration	42	41	$197,483,137	42	41	$179,061,211	42	41	$179,061,211			
Investigations												
Domestic Operations	129	120	$104,094,849	129	120	$112,529,245	129	120	$112,529,245			
International Operations			$9,451,128			$2,411,743			$2,411,743			
Detention and Removal										---	---	---
Custody Operations			$3,440,721									
Fugitive Operations						$3,425,960			$3,425,960			
FPS Security			$3,046,709									
Total Obligations	**171**	**161**	**317,516,544**	**171**	**161**	**297,428,159**	**171**	**161**	**297,428,159**	---	---	---

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$798,305	$883,223	$1,030,540	$147,317
11.3 Other than full-time permanent	61,633	62,330	72,374	10,044
11.5 Other Personnel Compensation	196,304	205,797	240,395	34,598
11.8 Special Service Pay	355	408	529	121
12.1 Benefits	367,190	396,322	460,909	64,587
Total, Personnel Comp. & Benefits	**$1,423,787**	**$1,548,080**	**$1,804,747**	**$256,667**
Other Object Classes:				
21.0 Travel	89,342	84,284	165,304	81,020
22.0 Transportation of things	5,444	6,133	6,851	718
23.1 GSA rent	164,844	178,743	216,527	37,784
23.2 Other rent	493	518	644	126
23.3 Communications, utilities, & other misc. charges	33,147	36,810	45,696	8,886
24.0 Printing and reproduction	93	101	138	37
25.1 Advisory and assistance services	78,819	142,945	166,464	23,519
25.2 Other services	453,103	535,710	731,820	196,110
25.3 Purchases of goods & svcs. from Gov't accounts	49,608	56,989	78,831	21,842
25.4 Operation & maintenance of facilities	180,054	200,017	278,032	78,015
25.6 Medical care	104	112	146	34
25.7 Operation and maintenance of equipment	13,601	19,943	25,090	5,147
25.8 Subsistence and support of persons	148,376	164,911	229,192	64,281
26.0 Supplies and materials	44,116	47,512	62,848	15,336
31.0 Equipment	53,348	56,117	75,759	19,642
32.0 Land & structures	6,538	7,709	9,860	2,151
41.0 Grants/Subsidies/Contributions	305	294	324	30
42.0 Indemnity	1,530	1,384	1,709	325
91.0 Unvouchered	2,092	2,101	2,311	210
99.0 Other				---
Total, Other Object Classes	**$1,324,958**	**$1,542,333**	**$2,097,544**	**555,211**
Total, Direct Obligations	**$2,748,745**	**$3,090,414**	**$3,902,291**	**$811,877**
Unobligated balance, start of year	(61,027)	(196,318)	(196,318)	---
Unobligated balance, end of year	196,318	196,318	196,318	---
Recoveries of prior year obligations	86,050	---	---	---
Total requirements	**$2,970,086**	**$3,090,414**	**$3,902,291**	**811,877**

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	32	32	32	---
Total, EX	1	1	1	---
GS-15	436	443	443	---
GS-14	1,673	1,701	1,707	6
GS-13	3,622	3,813	4,025	212
GS-12	1,357	1,883	1,894	11
GS-11	989	1,046	1,356	310
GS-10	11	15	15	---
GS-9	1,252	1,480	1,660	180
GS-8	120	120	120	---
GS-7	2,881	3,331	3,709	378
GS-6	168	168	168	---
GS-5	723	800	1,093	293
GS-4	28	29	29	---
GS-3	5	5	5	---
Other Graded Positions	113	117	117	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**13,411**	**14,984**	**16,374**	**1,390**
Unfilled Positions EOY	399	309	324	15
Total Perm. Employment EOY	13,012	14,675	16,050	1,375
FTE	**12,427**	**14,024**	**15,331**	**1,307**
Headquarters	1,087	1,168	1,238	70
U.S. Field	12,137	13,613	14,929	1,316
Foreign Field	187	203	207	4
Total Permanent Positions	**13,411**	**14,984**	**16,374**	**1,390**
Average ES Salary	$ 149,200	$ 152,632	$ 156,600	$ 3,968
Average GS Salary	$ 61,446	$ 63,018	$ 63,301	$ 283
Average GS Grade	10.57	10.58	10.42	(0.16)

G. Capital Investment and Construction Initiative Listing

U.S. Immigration and Customs Enforcement
Salaries and Expenses

Not applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Investigations - Domestic
Funding Schedule
(Dollars in Thousands)

PPA: Investigations - Domestic Operations		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$464,040	$487,506	$534,345	$46,838
11.3	Other than perm	47,647	46,742	51,437	4,695
11.5	Other per comp	116,438	115,566	127,085	11,519
12.1	Benefits	223,546	227,292	249,594	22,303
21.0	Travel	11,363	11,905	13,050	1,145
22.0	Transportation of things	1,649	1,695	1,860	165
23.1	GSA rent	98,573	101,018	110,880	9,862
23.2	Other rent	309	307	337	30
23.3	Communication, Utilities, and Misc. charges	18,535	19,227	21,090	1,863
24.0	Printing	13	20	21	1
25.1	Advisory & Assistance Services	42,455	75,366	80,713	5,347
25.2	Other Services	142,838	176,721	192,059	15,338
25.3	Purchase from Govt. Accts.	7,471	9,305	10,109	804
25.4	Operation & maintenance of facilities	96	185	198	13
25.6	Medical care	27	26	29	3
25.7	Operation & maintenance of equipment	5,378	8,408	9,046	638
25.8	Subsistence & Support of persons	134	267	285	18
26.0	Supplies & materials	15,382	15,331	16,855	1,524
31.0	Equipment	27,522	27,701	30,437	2,736
32.0	Land & Structures	3,075	3,498	3,818	320
41.0	Grants/Subsidies/Contributions	305	294	324	30
42.0	Indemnity	913	880	969	89
91.0	Unvouchered	1,950	1,914	2,107	193
Total,Investigations - Domestic Operations		**$1,229,660**	**$1,331,175**	**$1,456,650**	**$125,475**
Full Time Equivalents		7,286	7,671	8,126	455

PPA Mission Statement

In the Office of Investigations (OI), our broad Homeland Security mission is to prevent acts of terrorism and ensure the safety and economic well being of our country. We work under that mandate by dividing our investigative effort into three broad investigative categories: National Security, Financial and Trade, and Smuggling and Public Safety. These three categories represent the general priorities we use to guide our efforts in our daily activities. Each priority can be broken down into many different sub-categories and, in fact, are operationally interrelated in a great many cases.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$851,672**	**$877,106**	**$962,461**	**$85,355**

Salaries and Benefits includes costs for 8,126 FTEs. The FY 2007 request includes an increase of $85,355,000 in personnel compensation to include funding additional positions in support of Law Enforcement Support Center, worksite enforcement and compliance enforcement related to the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$11,363**	**$11,905**	**$13,050**	**1,145**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $1,145,000 in non-pay inflation and program increases related to SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$1,649**	**$1,695**	**$1,860**	**$165**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $165,000 in non-pay inflation and program increases related to SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$98,573**	**$101,018**	**$110,880**	**$9,862**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $9,862,000 in non-pay inflation and SBI program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$309**	**$307**	**$337**	**30**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $30,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$18,535**	**$19,227**	**$21,090**	**1,863**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $1,863,000 in non-pay inflation and additional services resulting from the SBI program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$13**	**$20**	**$21**	**1**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$42,455**	**$75,366**	**$80,713**	**5,347**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $5,347,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$142,838**	**$176,721**	**$192,059**	**$15,338**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $15,338,000 in non-pay inflation and program increase to support the SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$7,471**	**$9,305**	**$10,109**	**$804**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $804,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$96**	**$185**	**$198**	**$13**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $13,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$27**	**$26**	**$29**	**$3**

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. The FY 2007 request includes an increase of $3,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$5,378**	**$8,408**	**$9,046**	**$638**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $638,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$134**	**$267**	**$285**	**$18**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $18,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$15,382**	**$15,331**	**$16,855**	**$1,524**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $1,524,000 in non-pay inflation and program increases to support the SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$27,522**	**$27,701**	**$30,437**	**$2,736**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $2,736,000 in non-pay inflation and program increases in support of the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$3,075**	**$3,498**	**$3,818**	**$320**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $320,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$305**	**$294**	**$324**	**$30**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The FY 2007 request includes an increase of $30,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$913**	**$880**	**$969**	**$89**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increases of $89,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$1,950**	**$1,914**	**$2,107**	**193**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $193,000 in non-pay inflation.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Investigations - International Affairs
Funding Schedule
(Dollars in Thousands)

	PPA: Investigations - International Affairs	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$21,000	$24,790	$25,237	$447
11.3	Other than perm	664	778	792	14
11.5	Other per comp	5,001	5,818	5,922	104
12.1	Benefits	13,206	15,405	15,680	275
21.0	Travel	4,104	4,751	4,835	84
22.0	Transportation of things	2,481	2,865	2,916	51
23.1	GSA rent	7,132	8,315	8,463	148
23.3	Communication, Utilities, and Misc. charges	353	426	434	8
25.1	Advisory & Assistance Services	1,005	1,631	1,668	37
25.2	Other Services	29,300	34,355	34,970	615
25.3	Purchase from Govt. Accts.	814	969	986	17
25.4	Operation & maintenance of facilities	2	3	3	0
25.6	Medical care	4	5	5	0
25.7	Operation & maintenance of equipment	83	140	143	3
25.8	Subsistence & Support of persons	2	5	5	0
26.0	Supplies & materials	785	914	930	16
31.0	Equipment	1,181	1,380	1,404	24
32.0	Land & Structures	199	237	242	5
91.0	Unvouchered	93	107	109	2
	Total, Investigations - International Affairs	**$87,412**	**$102,894**	**$104,744**	**$1,850**
Full Time Equivalents		226	249	250	1

PPA Mission Statement

Office of International Affairs (OIA) expands the investigative efforts of OI to over 50 foreign locations. The OIA represents the international assets of all ICE programs and collaborates with U.S. Citizenship and Immigration Services, U.S. Customs and Border Protection (CBP), and other DHS components. The OIA liaises with foreign governments and international partners to facilitate the enforcement of U.S. customs and immigration laws beyond our borders in an effort to interdict criminals and prevent or disrupt criminal activity. OIA also executes the operational mandate of Section 428 of the Homeland Security Act through ICE's Visa Security Program (VSP).

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$39,872**	**$46,792**	**$47,631**	**$839**

Salaries and Benefits includes costs for 250 FTEs. The FY 2007 request includes an increase of $839,000 in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$4,104**	**$4,751**	**$4,835**	**$84**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $84,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$2,481**	**$2,865**	**$2,916**	**$51**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $51,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$7,132**	**$8,315**	**$8,463**	**$148**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $148,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$353**	**$426**	**$434**	**$8**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $8,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$1,005**	**$1,631**	**$1,668**	**$37**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $37,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$29,300**	**$34,355**	**$34,970**	**$615**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $615,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$814**	**$969**	**$986**	**$17**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $17,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$2**	**$3**	**$3**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$4**	**$5**	**$5**	**$0**

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$83**	**$140**	**$143**	**$3**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $3,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$2**	**$5**	**$5**	**$0**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$785**	**$914**	**$930**	**$16**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increases of $16,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,181**	**$1,380**	**$1,404**	**$24**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $24,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$199**	**$237**	**$242**	**$5**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $5,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$93**	**$107**	**$109**	**$2**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2006 request includes an increase of $2,000.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Detention and Removal Operations
Funding Schedule
(Dollars in Thousands)

PPA: Custody Operations		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$141,859	$195,760	$249,364	$53,604
11.3	Other than perm	2,227	3,150	3,994	844
11.5	Other per comp	48,173	58,286	75,216	16,930
11.8	Spec Srvc Pay	322	405	525	120
12.1	Benefits	66,886	89,244	114,413	25,169
21.0	Travel	4,624	5,539	7,557	2,018
22.0	Transportation of things	593	703	962	259
23.1	GSA rent	42,156	49,353	67,711	18,358
23.2	Other rent	141	161	222	61
23.3	Communication, Utilities, and Misc. charges	10,347	12,067	16,570	4,503
24.0	Printing	38	45	62	17
25.1	Advisory & Assistance Services	19,766	36,663	45,733	9,070
25.2	Other Services	140,713	172,866	234,421	61,555
25.3	Purchase from Govt. Accts.	32,444	36,908	51,000	14,092
25.4	Operation & maintenance of facilities	179,722	199,512	277,404	77,892
25.6	Medical care	73	81	112	31
25.7	Operation & maintenance of equipment	5,087	7,024	9,277	2,253
25.8	Subsistence & Support of persons	148,185	164,531	228,755	64,224
26.0	Supplies & materials	22,738	25,452	35,314	9,862
31.0	Equipment	6,117	7,290	9,958	2,668
32.0	Land & Structures	2,159	2,624	3,568	944
42.0	Indemnity	342	380	528	148
91.0	Unvouchered	14	30	36	6
Total, Custody Operations		**$874,724**	**$1,068,074**	**$1,432,702**	**$364,628**
Full Time Equivalents		3,084	3,802	4,280	478

PPA Mission Statement

Immigration enforcement authorities apprehend potentially removable aliens. In many cases, these aliens must be detained while they go through immigration proceedings and until they are removed. Often the number of apprehensions exceeds the detention space available and DRO must prioritize which cases will be detained. Custody Operations provides safe, secure, and humane confinement for these aliens. It also ensures that aliens in ICE custody appear for their immigration hearings, and then for their subsequent removal.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$259,466**	**$346,845**	**$443,513**	**$96,668**

Salaries and Benefits includes costs for 4,280 FTEs. The FY 2007 request includes an increase of $96,668,000 in personnel compensation to support the Secure Border Initiative (SBI).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$4,624	$5,539	$7,557	$2,018

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $2,018,000 in non-pay inflation as well as increased travel related to the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$593	$703	$962	$259

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $259,000 in non-pay inflation and SBI related additional transportation costs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$42,156	$49,353	$67,711	$18,358

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $18,358,000 in non-pay inflation and SBI related rental services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$141	$161	$222	$61

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $61,000 in non-pay inflation and SBI related expenses.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and misc charges	$10,347	$12,067	$16,570	$4,503

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $4,503,000 in support of SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$38	$45	$62	$17

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $17,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$19,766**	**$36,663**	**$45,733**	**$9,070**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $9,070,000 due to anticipated increases in services resulting from the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$140,713**	**$172,866**	**$234,421**	**$61,555**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a program increase of $61,555,000 in support of SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$32,444**	**$36,908**	**$51,000**	**$14,092**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $14,092,000 in SBI related purchases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$179,722**	**$199,512**	**$277,404**	**$77,892**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes program and non-pay inflation increase of $77,892,000 related to SBI enforcement increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$73**	**$81**	**$112**	**$31**

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. The FY 2007 request includes an increase of $31,000 for anticipated increase in medical expenses for detainees due to SBI program enforcement efforts.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$5,087**	**$7,024**	**$9,277**	**$2,253**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $2,253,000 for anticipated increases in equipment maintenance due to SBI program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$148,185**	**$164,531**	**$228,755**	**$64,224**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $64,224,000 in support of SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$22,738**	**$25,452**	**$35,314**	**$9,862**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $9,862,000 to support SBI program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$6,117**	**$7,290**	**$9,958**	**$2,668**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $2,668,000 to support SBI program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$2,159**	**$2,624**	**$3,568**	**$944**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $944,000 in support of the SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$342**	**$380**	**$528**	**$148**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $148,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$14**	**$30**	**$36**	**$6**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $6,000.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Detention and Removal Operations
Funding Schedule
(Dollars in Thousands)

PPA: Fugitive Operations		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$19,987	$32,350	$43,175	$10,825
11.3	Other than perm	1,938	2,986	4,031	1,045
11.5	Other per comp	7,618	11,749	15,853	4,104
11.8	Spec Srvc Pay	1	1	2	1
12.1	Benefits	10,429	16,435	22,068	5,633
21.0	Travel	394	442	860	418
22.0	Transportation of things	39	44	85	41
23.1	GSA rent	2,930	3,235	6,339	3,104
23.2	Other rent	11	11	23	12
23.3	Communication, Utilities, and Misc. charges	605	674	1,314	640
24.0	Printing	2	2	5	3
25.1	Advisory & Assistance Services	1,963	3,640	5,775	2,135
25.2	Other Services	16,493	18,465	35,938	17,473
25.3	Purchase from Govt. Accts.	5,808	5,939	12,072	6,133
25.4	Operation & maintenance of facilities	7	11	20	9
25.7	Operation & maintenance of equipment	840	1,001	1,893	892
25.8	Subsistence & Support of persons	8	15	23	8
26.0	Supplies & materials	1,008	1,037	2,101	1,064
31.0	Equipment	10,483	10,591	21,652	11,061
32.0	Land & Structures	230	257	501	244
42.0	Indemnity	22	22	46	24
91.0	Unvouchered	2	4	7	3
Total, Fugitive Operations		**$80,815**	**$108,912**	**$173,784**	**$64,872**
Full Time Equivalents		166	400	520	120

PPA Mission Statement

The Fugitive Operations program locates and apprehends fugitive aliens in the United States. It strives to identify or apprehend all fugitives, creating a deterrent to potential absconders and increasing the integrity of the immigration enforcement process.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$39,973**	**$63,521**	**$85,129**	**$21,607**

Salaries and Benefits includes costs for 520 FTEs. The FY 2007 request includes an increase of $21,607,000 in personnel compensation in support of SBI which includes 178 additional positions to support the requested 18 fugitive operations teams.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$394**	**$442**	**$860**	**$418**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $418,000 in support of additional fugitive operations teams travel expenses.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$39**	**$44**	**$85**	**$41**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $41,000 for additional transporting services related to SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$2,930**	**$3,235**	**$6,339**	**$3,104**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $3,104,000 for additional rental services related to SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$11**	**$11**	**$23**	**$12**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $12,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$605**	**$674**	**$1,314**	**$640**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $640,000 in support of SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$2**	**$2**	**$5**	**$3**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $3,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$1,963**	**$3,640**	**$5,775**	**$2,135**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $2,135,000 for additional printing services related to SBI program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$16,493**	**$18,465**	**$35,938**	**$17,473**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a program increase of $17,473,000 for contracting services in support of SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$5,808**	**$5,939**	**$12,072**	**$6,133**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $6,133,000 for purchases related to the increase fugitive operations teams supporting SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$7**	**$11**	**$20**	**$9**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $9,000 for SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$840**	**$1,001**	**$1,893**	**$892**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $892,000 in support of the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$8**	**$15**	**$23**	**$8**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $8,000 in support of SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,008**	**$1,037**	**$2,101**	**$1,064**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $1,064,000 in support of the SBI program increase in fugitive operations teams.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$10,483**	**$10,591**	**$21,652**	**$11,061**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $11,061,000 in support of the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$230**	**$257**	**$501**	**$244**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $244,000 in support of SBI programs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$22**	**$22**	**$46**	**$24**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $24,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$2**	**$4**	**$7**	**$3**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $3,000.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Detention and Removal Operations
Funding Schedule
(Dollars in Thousands)

PPA: Alternatives to Detention		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$1,600	$3,936	$5,579	$1,643
11.3	Other than perm	16	43	61	18
11.5	Other per comp	506	1,151	1,664	513
12.1	Benefits	726	1,721	2,463	742
21.0	Travel	85	198	284	86
22.0	Transportation of things	2	5	7	2
23.1	GSA rent	145	157	206	49
23.3	Communication, Utilities, and Misc. charges	255	800	1,161	361
25.1	Advisory & Assistance Services	588	1,645	2,261	616
25.2	Other Services	8,493	19,142	27,758	8,616
25.3	Purchase from Govt. Accts.	92	224	318	94
25.4	Operation & maintenance of facilities	17	39	56	17
25.7	Operation & maintenance of equipment	62	170	234	64
25.8	Subsistence & Support of persons	2	5	7	2
26.0	Supplies & materials	73	166	240	74
31.0	Equipment	109	253	364	111
32.0	Land & Structures	9	25	35	9
91.0	Unvouchered	1	2	3	1
Total, Alternatives to Detention		**$12,782**	**$29,683**	**$42,702**	**$13,019**
Full Time Equivalents		12	102	132	30

PPA Mission Statement

The Alternatives to Detention program places low-risk aliens under various forms of intensive supervision rather than traditional detention as a cost-effective way to ensure their appearance for an immigration hearing or for removal. This program lowers the risk that aliens will be fugitives.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$2,848**	**$6,851**	**$9,767**	**$2,916**

Salaries and Benefits includes costs for 132 FTEs. The FY 2007 request includes an increase of $2,916,000 in personnel compensation costs related to the Intensive Supervision Appearance Program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$85**	**$198**	**$284**	**$86**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $86,000 for increased travel expenses related to the Intensive Supervision Appearance Program (ISAP).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$2**	**$5**	**$7**	**$2**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $2,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$145**	**$157**	**$206**	**$49**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $49,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$255**	**$800**	**$1,161**	**$361**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $361,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$588**	**$1,645**	**$2,261**	**$616**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $616,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$8,493**	**$19,142**	**$27,758**	**$8,616**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $8,616,000 for services related to the ISAP.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$92**	**$224**	**$318**	**$94**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $94,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$17**	**$39**	**$56**	**$17**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $17,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$62**	**$170**	**$234**	**$64**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $64,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$2**	**$5**	**$7**	**$2**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $2,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$73**	**$166**	**$240**	**$74**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $74,000 related to the ISAP for electronic monitoring devices.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$109**	**$253**	**$364**	**$111**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $111,000 for equipment related to the Intensive Supervision Appearance Program for electronic devices.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$9**	**$25**	**$35**	**$9**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $9,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$1**	**$2**	**$3**	**$1**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $1,000.

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Salaries and Expenses
Detention and Removal Operations
Funding Schedule
(Dollars in Thousands)

PPA: Institutional Removal Plan		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$22,837	$41,203	$44,793	$3,590
11.3	Other than perm	569	1,015	1,105	90
11.5	Other per comp	5,736	9,954	10,838	884
11.8	Spec Srvc Pay	1	2	2	---
12.1	Benefits	10,067	17,819	19,385	1,566
21.0	Travel	266	508	551	43
22.0	Transportation of things	274	472	514	42
23.1	GSA rent	2,472	4,556	4,949	393
23.2	Other rent	12	21	23	2
23.3	Communication, Utilities, and Misc. charges	514	954	1,036	82
24.0	Printing	3	5	6	1
25.1	Advisory & Assistance Services	2,210	5,766	6,198	432
25.2	Other Services	5,477	11,591	12,533	942
25.3	Purchase from Govt. Accts.	702	1,317	1,430	113
25.4	Operation & maintenance of facilities	47	85	93	8
25.7	Operation & maintenance of equipment	456	964	1,042	78
25.8	Subsistence & Support of persons	8	22	23	1
26.0	Supplies & materials	892	1,547	1,685	138
31.0	Equipment	1,950	3,386	3,687	301
32.0	Land & Structures	157	298	324	26
42.0	Indemnity	15	26	28	2
91.0	Unvouchered	2	5	6	1
Total, Institutional Removal Plan		**$54,666**	**$101,519**	**$110,250**	**$8,731**
Full Time Equivalents		152	495	564	69

PPA Mission Statement

The Institutional Removal Program (IRP) ensures that aliens are not released back into the community before they are removed from the United States. Through the IRP, ICE officers interview incarcerated aliens to determine whether they are amenable to immigration proceedings. If a case receives a final order of removal, ICE officers will immediately take that alien into custody upon completion of his or her criminal sentence and then prepare that case for removal.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$39,210**	**$69,993**	**$76,123**	**$6,130**

Salaries and Benefits includes costs for 564 FTEs. The FY 2007 request includes an increase of $6,130,000 in personnel compensation to include the pay raise as well as full year funding for 280 positions .

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$266	$508	$551	$43

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $43,000 for travel expenses of the IEAs and DOs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$274	$472	$514	$42

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $42,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$2,472	$4,556	$4,949	$393

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $393,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$12	$21	$23	$2

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $2,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	$514	$954	$1,036	$82

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $82,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$3	$5	$6	$1

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$2,210	$5,766	$6,198	$432

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $432,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$5,477**	**$11,591**	**$12,533**	**$942**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes an increase of $942,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$702**	**$1,317**	**$1,430**	**$113**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $113,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$47**	**$85**	**$93**	**$8**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $8,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$456**	**$964**	**$1,042**	**$78**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $78,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$8**	**$22**	**$23**	**$1**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$892**	**$1,547**	**$1,685**	**$138**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $138,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$1,950	$3,386	$3,687	$301

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $301,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	$157	$298	$324	$26

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $26,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	$15	$26	$28	$2

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $2,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	$2	$5	$6	$1

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

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	PPA: Transportation and Removal Plan	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$26,833	$2,340	$2,439	$99
11.3	Other than perm	932	47	49	2
11.5	Other per comp	9,327	193	202	9
11.8	Spec Srvc Pay	31	---	---	---
12.1	Benefits	13,329	687	716	29
21.0	Travel	66,279	58,813	135,539	76,726
22.0	Transportation of things	51	51	110	59
23.1	GSA rent	4,445	4,290	9,450	5,160
23.2	Other rent	17	16	36	20
23.3	Communication, Utilities, and Misc. charges	924	898	1,972	1,074
24.0	Printing	3	3	6	3
25.1	Advisory & Assistance Services	2,086	3,854	6,354	2,500
25.2	Other Services	72,587	66,618	150,738	84,120
25.3	Purchase from Govt. Accts.	149	254	433	179
25.4	Operation & maintenance of facilities	9	13	24	11
25.7	Operation & maintenance of equipment	857	948	1,948	1,000
25.8	Subsistence & Support of persons	16	22	41	19
26.0	Supplies & materials	1,981	1,785	4,080	2,295
31.0	Equipment	822	797	1,751	954
32.0	Land & Structures	497	472	1,048	576
42.0	Indemnity	36	32	74	42
91.0	Unvouchered	2	4	6	2
	Total, Transporation and Removal Plan	**$201,210**	**$142,140**	**$317,016**	**$174,876**
Full Time Equivalents		360	---	---	---

PPA Mission Statement

The Transportation and Removals Management program provides safe and secure transportation of aliens in ICE custody as well as prepares for and conducts the removals of aliens from the United States, as ordered by an immigration judge.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$50,452**	**$3,267**	**$3,407**	**$140**

Salaries and Benefits includes costs for 0 FTEs. The FY 2007 request includes an increase of $140,000 in annualization costs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$66,279**	**$58,813**	**$135,539**	**$76,726**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a program increase of $76,726,000 in support of SBI expedited removal initiative.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$51**	**$51**	**$110**	**$59**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $59,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$4,445**	**$4,290**	**$9,450**	**$5,160**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $5,160,000 for additional rental space for SBI support.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$17**	**$16**	**$36**	**$20**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $20,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$924**	**$898**	**$1,972**	**$1,074**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $1,074,000 for additional communications support for the SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$3**	**$3**	**$6**	**$3**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2006 request includes an increase of $3,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$2,086**	**$3,854**	**$6,354**	**$2,500**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $2,500,000 for SBI related services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$72,587**	**$66,618**	**$150,738**	**$84,120**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $84,120,000 in non-pay inflation and program increases for contracting services for the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$149**	**$254**	**$433**	**$179**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $179,000 in support of SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$9**	**$13**	**$24**	**$11**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $11,000 for increased maintenance related to SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$857**	**$948**	**$1,948**	**$1,000**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $1,000,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$16**	**$22**	**$41**	**$19**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $19,000 related to SBI support.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,981**	**$1,785**	**$4,080**	**$2,295**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $2,295,000 in support of the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$822	$797	$1,751	$954

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $954,000 for additional equipment in support of SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	$497	$472	$1,048	$576

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $576,000 for anticipated increases due to the SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	$36	$32	$74	$42

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $42,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	$2	$4	$6	$2

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $2,000 in non-pay inflation.

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Salaries and Expenses
Intelligence
Funding Schedule
(Dollars in Thousands)

PPA: Intelligence		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$24,542	$25,597	$26,369	$772
11.3	Other than perm	82	115	116	1
11.5	Other per comp	1,415	1,520	1,524	4
12.1	Benefits	6,498	6,828	6,850	23
21.0	Travel	869	885	873	(12)
22.0	Transportation of things	61	64	63	(1)
23.1	GSA rent	5,261	5,373	5,296	(77)
23.3	Communication, Utilities, and Misc. charges	759	797	786	(11)
24.0	Printing	1	1	1	0
25.1	Advisory & Assistance Services	1,470	2,927	2,952	25
25.2	Other Services	10,529	11,929	10,562	(1,367)
25.3	Purchase from Govt. Accts.	829	898	886	(12)
25.4	Operation & maintenance of facilities	3	7	7	0
25.7	Operation & maintenance of equipment	297	429	429	(0)
25.8	Subsistence & Support of persons	5	11	11	0
26.0	Supplies & materials	393	404	398	(6)
31.0	Equipment	591	625	618	(7)
32.0	Land & Structures	148	167	165	(2)
91.0	Unvouchered	25	26	25	(1)
Total, Intelligence		**$53,777**	**$58,602**	**$57,932**	**($670)**
Full Time Equivalents		298	333	333	---

PPA Mission Statement

Intelligence - Collect, analyze and share information on critical homeland security vulnerabilities that could be exploited by terrorist and criminal organizations. The Office of Intelligence focuses on data and information related to the movement of people, money and materials into, within and out of the United States to provide accurate and timely reporting to ICE leadership and field agents in support of enforcement operations. ICE's intelligence functions are managed by a highly trained team of professionals with expertise in data and threat analysis, languages, financial investigations, counterterrorism and a number of other areas. ICE intelligence professionals process information from a variety of sources to provide assessments of patterns, trends and new developments in a wide range of law enforcement areas. These include the following areas:

- Terrorism
- Human Smuggling and Trafficking
- Money Laundering and Financial Crime
- Drug Smuggling
- Criminal Aliens
- Air and Marine Smuggling
- Cyber Crimes
- Identity Fraud and Document Fraud
- Arms Trafficking and Technology Transfers
- Commercial Fraud
- Mass Migration and Conditions Affecting Immigration
- Security at Federal Facilities and Other Critical Infrastructure Sites
- Airspace Security

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$32,537**	**$34,060**	**$34,860**	**$800**

Salaries and Benefits includes costs for 333 FTEs. The FY 2007 request includes an increase of $800,000 in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$869**	**$885**	**$873**	**($12)**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a decrease of $12,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$61**	**$64**	**$63**	**($1)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 requests a decrease of $1,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$5,261**	**$5,373**	**$5,296**	**($77)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a decrease of $77,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$759**	**$797**	**$786**	**($11)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $11,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$1**	**$1**	**$1**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes no changes.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$1,470**	**$2,927**	**$2,952**	**$25**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $25,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$10,529**	**$11,929**	**$10,562**	**($1,367)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $1,367,000 due to realignment of intelligence activities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$829**	**$898**	**$886**	**($12)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $12,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$3**	**$7**	**$7**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$297**	**$429**	**$429**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$5**	**$11**	**$11**	**$0**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$393**	**$404**	**$398**	**($6)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes a decrease of $6,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$591**	**$625**	**$618**	**($7)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $7,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$148**	**$167**	**$165**	**($2)**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes a decrease of $2,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$25**	**$26**	**$25**	**($1)**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes a decrease of $1,000.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Legal Proceedings
Funding Schedule
(Dollars in Thousands)

PPA: Legal Proceedings		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$66,467	$69,741	$99,239	$29,498
11.3	Other than perm	7,557	7,452	10,790	3,338
11.5	Other per comp	1,170	1,560	2,091	531
12.1	Benefits	19,941	20,891	29,739	8,848
21.0	Travel	1,154	1,243	1,756	513
22.0	Transportation of things	226	233	333	100
23.1	GSA rent	1,730	2,444	3,234	790
23.2	Other rent	1	2	2	0
23.3	Communication, Utilities, and Misc. charges	817	967	1,334	367
24.0	Printing	24	24	35	11
25.1	Advisory & Assistance Services	7,275	11,452	14,809	3,357
25.2	Other Services	19,601	24,024	32,840	8,816
25.3	Purchase from Govt. Accts.	934	1,175	1,596	421
25.4	Operation & maintenance of facilities	153	161	228	67
25.7	Operation & maintenance of equipment	463	860	1,079	219
25.8	Subsistence & Support of persons	16	33	41	8
26.0	Supplies & materials	834	875	1,245	370
31.0	Equipment	4,057	4,095	5,888	1,793
32.0	Land & Structures	63	129	159	30
42.0	Indemnity	45	44	64	20
91.0	Unvouchered	4	8	11	3
Total, Legal Proceedings		**$132,535**	**$147,414**	**$206,511**	**$59,097**
Full Time Equivalents		843	972	1,126	154

PPA Mission Statement

ICE Legal Proceedings (also referred to as the Office of the Principal Legal Advisor or "OPLA") provides the legal advice, training, and services required to support the ICE mission while defending the immigration laws of the U. S. in the administrative and federal courts and is the legal representative for ICE. OPLA is the DHS legal component within ICE that is authorized to represent the Government in immigration proceedings that end up in immigration courts.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$95,136**	**$99,644**	**$141,859**	**$42,215**

Salaries and Benefits includes costs for 1,126 FTEs. The FY 2007 request includes an increase of $42,215,000 in personnel compensation and program increases for additional attorneys to support the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$1,154**	**$1,243**	**$1,756**	**$513**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $513,000 for additional travel expenses related to SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$226**	**$233**	**$333**	**$100**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $100,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$1,730**	**$2,444**	**$3,234**	**$790**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $790,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$1**	**$2**	**$2**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$817**	**$967**	**$1,334**	**$367**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $367,000 for additional services related to SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$24**	**$24**	**$35**	**$11**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $11,000 for additional printing requirements.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$7,275**	**$11,452**	**$14,809**	**$3,357**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $3,357,000 in support of SBI and other legal requirements.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$19,601**	**$24,024**	**$32,840**	**$8,816**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $8,816,000 for non-pay inflation and additional services required to support SBI.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$934**	**$1,175**	**$1,596**	**$421**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $421,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$153**	**$161**	**$228**	**$67**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $67,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$463**	**$860**	**$1,079**	**$219**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $219,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$16**	**$33**	**$41**	**$8**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $8,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$834**	**$875**	**$1,245**	**$370**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $370,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$4,057**	**$4,095**	**$5,888**	**$1,793**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $1,793,000 in support of the SBI program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$63**	**$129**	**$159**	**$30**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $30,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$45**	**$44**	**$64**	**$20**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $20,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$4**	**$8**	**$11**	**$3**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes an increase of $3,000.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses
Federal Protective Service
Funding Schedule
(Dollars in Thousands)

PPA: Federal Protective Service		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$9,140	---	---	---
11.3	Other than perm	(0)	---	---	---
11.5	Other per comp	920	---	---	---
12.1	Benefits	2,561	---	---	---
21.0	Travel	204	---	---	---
22.0	Transportation of things	68	---	---	---
23.2	Other rent	1	---	---	---
23.3	Communication, Utilities, and Misc. charges	38	---	---	---
24.0	Printing	10	---	---	---
25.1	Advisory & Assistance Services	1	---	---	---
25.2	Other Services	7,073	---	---	---
25.3	Purchase from Govt. Accts.	366	---	---	---
25.7	Operation & maintenance of equipment	79	---	---	---
26.0	Supplies & materials	30	---	---	---
31.0	Equipment	517	---	---	---
42.0	Indemnity	157	---	---	---
	Total, Federal Protective Service	**$21,164**	**$0**	**$0**	**$0**
Full Time Equivalents					---

Note: In 2005 FPS transferred $21,164 million to the ICE S&E no year account.

PPA Mission Statement

Federal Protective Service (FPS) is the Federal law enforcement organization responsible for the protection and security of Federally-owned and leased buildings, property, and personnel across the Nation. The FPS operations focus on law enforcement and reduction of Federal facility vulnerabilities to criminal and terrorist threats, while ensuring that public facilities are safe, secure and remain available as a vital part of every day American life. FPS uses approximately 15,000 contract security guards and 1,100 Law Enforcement Officers who are strategically located throughout the Nation to provide security and law enforcement coverage to all GSA-owned and -operated Federal facilities.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$12,622	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$204	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$68	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$1	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	$38	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$10	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$1	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$366	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	$79	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$30	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$517	$0	$0	$0

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	$157	$0	$0	$0

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Salaries and Expenses

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Headquarters Management and Administration	$2,285	$3,524	$3,712	$188
Headquarters IT Investment	498	769	810	41
Legal Proceedings	2,310	3,563	3,753	190
Investigations Operations - Domestic	20,361	31,422	33,098	1,676
Investigations Operations - International	732	1,129	1,189	60
Intelligence	802	1,237	1,303	66
DRO - Custody Management	9,759	15,052	15,855	803
DRO - Fugitive Operations	404	623	656	33
DRO - Alternatives to Detention	17	26	27	1
DRO - Transportation and Removal	367	566	596	30
Total Working Capital Fund	**$37,535**	**$57,911**	**$61,000**	**$3,089**

Department of Homeland Security

U.S. Immigration and Customs Enforcement

Federal Protective Service

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Immigration and Customs Enforcement
Federal Protective Service

I. Appropriation Overview

Federal Protective Service (FPS) is the Federal law enforcement organization responsible for the protection and security of Federally-owned and leased buildings, property, and personnel across the Nation. The FPS operations focus on law enforcement and reduction of Federal facility vulnerabilities to criminal and terrorist threats, while ensuring that public facilities are safe, secure and remain available as a vital part of every day American life. FPS uses approximately 15,000 contract security guards and 1,100 Law Enforcement Officers who are strategically located throughout the Nation to provide security and law enforcement coverage to all General Services Administration (GSA)-owned and -operated Federal facilities.

B. Budget Activities:

Basic Security - The FY 2007 Basic Security Fee was approved by the Office of Management and Budget for $0.39 and is charged to all building tenants on a per square footage basis in GSA-owned and operated facilities. The basic security rate covers various types of security services, such as law enforcement officers on Federally-controlled property that respond to service and emergency calls, conduct preliminary investigations of incidents, and capture and detain suspects. The basic security rate also includes the monitoring of 24-hour security alarms, providing nationwide dispatch services, conducting regional threat assessments of Federal facilities, presenting security awareness programs for tenants, coordinating Occupant Emergency Plans, and sharing of current intelligence on domestic and foreign terrorist threats within the Criminal Investigations Program.

Building Specific Security - Building Specific Security is based on security requirements specific to a particular building. The two components are the Contract Security Guard and Security Systems Programs. The Contract Security Guard Program includes access control to facility entrances and exits, employee and visitor identification checks, monitoring security equipment, and roving patrols of the interior and exterior of Federal facilities. The Security Systems Program includes the purchase, installation, and maintenance of security equipment, such as cameras, alarms, magnetometers, and x-ray machines. Security equipment is based on identified projects in security surveys and standard replacement schedules.

C. Budget Request Summary:

ICE requests 1,438 positions, 1,438 FTE, and $516,011,000 for FY 2007. The total adjustments-to-base is 0 FTE and $29,011,000 based on increased fee revenue.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Basic Security	978	96,194	1,029	109,235	1,029	123,310		14,075	-	-	-	14,075
Building Specific Security	389	340,220	409	377,765	409	392,701	-	14,936	-	-	-	14,936
Subtotal, Enacted Appropriations and Budget Estimates	**1,367**	**436,414**	**1,438**	**487,000**	**1,438**	**516,011**	**-**	**29,011**	**-**	**-**	**-**	**29,011**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**1,367**	**436,414**	**1,438**	**487,000**	**1,438**	**516,011**	**-**	**29,011**	**-**	**-**	**-**	**29,011**

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Program Performance Justification
(Dollars in thousands)

PPA: **Basic Security**

	Perm Pos	FTE	Amount
2005 Actual	**978**	**978**	**$96,194**
2006 Enacted	**1,029**	**1,029**	**109,235**
2007 Adjustments-to-Base	...	...	14,075
2007 Current Services	**1,029**	**1,029**	**123,310**
2007 Program Change	...	...	...
2007 Request	**1,029**	**1,029**	**123,310**
Total Change 2006-2007	...	...	14,075

U.S. Immigration and Customs Enforcement requests $123.3 million for this activity. This is an increase of $14 million over FY 2006, which is the estimated fee revenue increase resulting from the rate increase from $.35 to $.39 per square foot.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Federal Protective Service (FPS) is the Federal law enforcement organization responsible for the protection and security of Federal buildings, property, and personnel occupying those facilities across the Nation. The FPS operations focus on law enforcement and reduction of Federal facility vulnerabilities to criminal and terrorist threats, while ensuring that public facilities are safe, secure and remain available as a vital part of every day American life.

The basic security fee is approved by the Office of Management and Budget each year and is charged to all GSA building tenants on a per-square- footage basis in FPS protected facilities. The basic security rate covers various types of security services such as: law enforcement officers on Federally-controlled property that respond to service and emergency calls, conduct preliminary investigations of incidents, and capture and detain suspects. This rate funds the FPS Mega Center that maintains 24-hour security alarm monitoring and provides nationwide communication dispatch to enforcement personnel.

The fee also covers the physical security initiatives including security awareness programs for tenants, coordination of Occupant Emergency Plans and consultations with Building Security Committees on security countermeasures for Federal facilities. The basic security fee also covers building threat assessments of Federal facilities and the development of action plans to reduce the threats. Additionally, services requested at Federal facilities within and outside of the GSA inventory are provided on a reimbursable basis.

The additional revenue will fund pay and non-pay inflation. The non-pay inflation factor is applied to supplies, materials, equipment, and contracts with private sector, printing costs, transportation costs and utilities.

The FPS strategic goal is the protection of Federal facilities and employees through a comprehensive law enforcement and security program. The FPS law enforcement operations include conducting criminal investigations, and providing law enforcement response to potential crimes and/or threats at Federal facilities. FPS security operations include regular physical security assessments of Federal facilities, nationwide communications, alarm monitoring, and dispatching services, and administration of contract guards within Federal facilities.
Subsequent to the events of September 11, 2001, FPS has faced the new reality of protecting and securing Federal facilities by improving its ability to respond to new and changing threats. Through various FPS programs, Federal facilities remain protected, yet open and welcoming to legitimate visitors. Federal facilities are secure for all Federal employees and officials to perform their missions in service to the American public.

During FY 2005 FPS provided significant and appropriate law enforcement and security services for approximately 9,000 facilities to accommodate the mission. FPS monitored 5,700 alarm accounts daily for intrusion detection, fire and personnel protection, received 2,200 alarm activations, responded to 148 incidents on Federal property, one weapons and explosives incident, 11 demonstrations and disturbance incidents, eight accident related incidents and 18 fire related incidents.

In FY2006 FPS will improve its identification and reduction of real and/or perceived threats faced by our customers. FPS will enhance intelligence and information sharing, hazardous materials response, special operations capabilities, protective services, and strengthened security standards that will represent the key elements for reducing threat and vulnerability levels at Federal facilities. The increase in law enforcement presence and oversight, when combined with other countermeasures, will maximize the safety and security of the buildings, occupants, and visitors.

During FY 2007 FPS will continue its focus on law enforcement and reduction of Federal facility vulnerabilities to criminal and terrorist threats.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Building Specific Security
Program Performance Justification
(Dollars in thousands)

PPA: **Building Specific Security**

	Perm Pos	FTE	Amount
2005 Actual	**389**	**389**	**$340,220**
2006 Enacted	**409**	**409**	**377,765**
2007 Adjustments-to-Base	...	...	14,936
2007 Current Services	**409**	**409**	**392,701**
2007 Program Change	...	...	...
2007 Request	**409**	**409**	**392,701**
Total Change 2006-2007	...	...	14,936

U.S. Immigration and Customs Enforcement requests $392.7 million for this activity. This is an increase of $14.9 million over FY 2006 for pay and non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Federal Protective Service (FPS) is the Federal law enforcement organization responsible for the protection and security of Federal buildings, property, and the personnel occupying those facilities across the Nation. FPS operations focus on law enforcement and reduction of Federal facility vulnerabilities to criminal and terrorist threats, while ensuring public facilities are safe, secure and remain available as a vital part of every day American life. FPS currently performs all necessary security and law enforcement functions at approximately 9,000 federally owned and leased locations throughout the United States and its territories.

The building specific fee is charged to all building tenants based on the mandatory security requirements specific to a particular building. The fee is based on the costs for contract security guards and security systems programs. The contract security guard program includes: access control to facility entrances and exits; employee and visitor identification checks; monitoring security equipment; and roving patrols of the interior and exterior of Federal facilities. The contract security guard represents the first line of defense against potential criminals and terrorists of Federal workplaces. The security system program includes the purchase, installation and maintenance of security equipment, such as cameras, alarms, magnetometers and x-ray machines. The security equipment is based on the identified mandatory projects in the security surveys and standard replacement schedules.

The additional revenue will fund pay and non-pay inflation. The non-pay inflation factor is applied to supplies, materials, equipment, and contracts with private sector, printing costs, transportation costs and utilities.

FPS mission is to render Federal facilities safe and secure for Federal employees, officials, and visitors in a cost effective manner by providing approximately 15,000 armed contract security guards, purchasing, installing, and monitoring security devices, equipment, and countermeasures in designated

buildings within approximately 9,000 Federally owned and leased facilities throughout the United States and its territories.

During FY2005 FPS maintained current countermeasures and security equipment for approximately 9,000 facilities to accommodate the mission by providing significant and appropriate law enforcement and security services. FPS provided oversight of over 15,000 armed contract guards, screened over one million Federal employees and visitors entering Federal facilities and intercepted 2,408 prohibited items from entering Federal facilities including firearms, knives and box cutters, etc.

In FY2006 FPS will improve its identification and reduction of real and/or perceived threats faced by its customers and enhance security equipment and systems through technology.

In FY2007 FPS will improve the contract guard program as well as security systems through technology improvements and training.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Justification of Proposed Changes in Federal Protective Service
Appropriation Language

The revenues and collections of security fees credited to this account, not to exceed [$487,000,000] ***$516,011,000***, shall be available until expended for necessary expenses related to the protection of federally-owned and leased buildings and for the operations of the Federal Protective Service. (Department of Homeland Security Appropriations Act, [2006] ***2007***.)

Explanation of Changes:
No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**1,367**	**1,367**	**$436,414**
2006 Revised Enacted	**1,438**	**1,438**	**487,000**
Adjustments-to-Base			
Increases			
2007 pay increase	---	---	2,522
Non-pay inflation	---	---	26,489
Total Increases	---	---	29,011
Total Adjustments-to-Base	---	---	**29,011**
2007 Current Services	**1,438**	**1,438**	**516,011**
2007 Request	**1,438**	**1,438**	**516,011**
2006 to 2007 Total Change	---	---	**29,011**

C. Summary of Requirements

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	**FTE**	**Amount**
2005 Actual	**1,367**	**1,367**	**$436,414**
2006 Revised Enacted	**1,438**	**1,438**	**487,000**
Adjustments-to-Base			
Increases	---	---	29,011
Decreases	---	---	---
Total Adjustments-to-Base	---	---	29,011
2007 Current Services	**1,438**	**1,438**	**516,011**
2007 Total Request	**1,438**	**1,438**	**516,011**
2006 to 2007 Total Change	---	---	29,011

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Basic Securtiy	1,029	1,029	109,235	---	---	$14,075	---	---	$ ---	1,029	1,029	$123,310	---	---	$14,075
2 Building Specific Security	409	409	377,765	---	---	14,936	---	---	---	409	409	392,701	---	---	14,936
Total	**1,438**	**1,438**	**$487,000**	**---**	**---**	**$29,011**	**---**	**---**	**---**	**1,438**	**1,438**	**$516,011**	**---**	**---**	**$29,011**

Note:

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$87,694	$82,106	$85,480	$3,374
11.5 Other Personnel Compensation	$14,461	$0	$0	---
12.1 Benefits	$31,141	$46,484	$48,867	2,383
Total, Personnel Comp. & Benefits	**$133,296**	**$128,590**	**$134,347**	**$5,757**
Other Object Classes:				
21.0 Travel	3,306	9,000	9,145	145
22.0 Transportation of things	4,083	10,190	10,353	163
23.1 GSA rent	1,131	18,600	18,891	291
23.3 Communications, utilities, & other misc. charges	3,453	6,800	6,908	108
24.0 Printing and reproduction	---	1,720	1,749	29
25.2 Other services	281,519	---	---	---
25.3 Purchases of goods & svcs. from Gov't accounts	1,475	---	---	---
25.4 Operation & maintenance of facilities	---	298,962	321,268	22,306
25.7 Operation and maintenance of equipment	1,949	---	---	---
26.0 Supplies and materials	3,989	9,468	9,553	85
31.0 Equipment	2,213	3,670	3,797	127
Total, Other Object Classes	**303,118**	**$358,410**	**$381,664**	**$23,254**
Total, Direct Obligations	**$436,414**	**$487,000**	**$516,011**	**$29,011**
Unobligated balance, start of year	(53,094)	(8,850)	(8,850)	---
Unobligated balance, end of year	8,850	8,850	8,850	---
Recoveries of prior year obligations	113	---	---	---
Total requirements	**$392,283**	**$487,000**	**$516,011**	**$29,011**

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	1	1	1	---
GS-15	20	20	20	---
GS-14	87	87	87	---
GS-13	173	173	173	---
GS-12	417	417	417	---
GS-11	174	174	174	---
GS-10	41	41	41	---
GS-9	207	207	207	---
GS-8	189	189	189	---
GS-7	94	94	94	---
GS-6	26	26	26	---
GS-5	9	9	9	---
Total Permanent Positions	**1,438**	**1,438**	**1,438**	**---**
Unfilled Positions EOY	71	---	---	---
Total Perm. Employment EOY	1,367	1,438	1,438	---
FTE	**1,367**	**1,438**	**1,438**	**---**
Headquarters	82	314	314	---
U.S. Field	1,285	1,124	1,124	---
Foreign Field	---	---	---	---
Total Permanent Positions	**1,367**	**1,438**	**1,438**	**---**
Average ES Salary	$ 149,200	$ 149,860	$ 156,200	$ 6,340
Average GS Salary	$ 60,129	$ 61,034	$ 63,682	$ 2,648
Average GS Grade	10.75	10.67	10.67	---

G. Capital Investment and Construction Initiative Listing
U.S. Immigration and Customs Enforcement
Federal Protective Service

Not applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Basic Security
Funding Schedule
(Dollars in Thousands)

PPA: Basic Security		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$56,348	$52,458	$55,083	$2,625
11.5	Other per comp	9,292	---	---	---
12.1	Benefits	22,710	33,349	35,400	2,051
21.0	Travel	1,632	4,410	4,485	75
22.0	Transportation of things	1,875	4,790	4,871	81
23.1	GSA rent	241	4,000	4,068	68
23.3	Communication, Utililities, and misc charges	1,270	2,600	2,644	44
24.0	Printing	---	1,600	1,627	27
25.4	Operation & maintenance of facilities	---	---	9,000	9,000
26.0	Supplies & materials	1,493	3,758	3,822	64
31.0	Equipment	1,333	2,270	2,310	40
	Total, FPS, Basic Security	**$96,194**	**$109,235**	**$123,310**	**$14,075**
Full Time Equivalents		978	1,029	1,029	---

PPA Mission Statement

The FY 2007 Basic Security Fee was approved by the Office of Management and Budget for $0.39 and is charged to all building tenants on a per square footage basis in GSA-owned and operated facilities. The basic security rate covers various types of security services, such as law enforcement officers on Federally-controlled property that respond to service and emergency calls, conduct preliminary investigations of incidents, and capture and detain suspects. The basic security rate also includes the monitoring of 24-hour security alarms, providing nationwide dispatch services, conducting regional threat assessments of Federal facilities, presenting security awareness programs for tenants, coordinating Occupant Emergency Plans, consultations with Building Security Committees, and sharing of current intelligence on domestic and foreign terrorist threats within the Criminal Investigations Program.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$88,350**	**$85,807**	**$90,483**	**$4,676**

Salaries and Benefits includes costs for 1,029 FTEs. The FY 2007 request includes an increase of $4,676,000 in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$1,632**	**$4,410**	**$4,485**	**$75**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $75,000. Funding will be used to strategically place law enforcement personnel during heightened alert levels, demonstrations, and special operations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$1,875**	**$4,790**	**$4,871**	**$81**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $81,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$241**	**$4,000**	**$4,068**	**$68**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $68,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$1,270**	**$2,600**	**$2,644**	**$44**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes standard inflation increases of $44,000. Funding in this area will be used for the FPS Mega Centers to provide nationwide communication dispatch to enforcement personnel.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$1,600**	**$1,627**	**$27**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes an increase of $27,000 to print Occupant Emergency Plans and security guidance.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$0**	**$9,000**	**$9,000**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $9,000,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,493**	**$3,758**	**$3,822**	**$64**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $64,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,333**	**$2,270**	**$2,310**	**$40**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $40,000 in non-pay inflation.

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service
Building Specific Security
Funding Schedule
(Dollars in Thousands)

PPA: Building Specific Security		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$31,346	$29,648	$30,397	$749
11.5	Other per comp	5,169	---	---	---
12.1	Benefits	8,431	13,135	13,467	332
21.0	Travel	1,674	4,590	4,660	70
22.0	Transportation of things	2,208	5,400	5,482	82
23.1	GSA rent	890	14,600	14,823	223
23.3	Communication, Utililities, and misc charges	2,183	4,200	4,264	64
24.0	Printing	---	120	122	2
25.2	Other Services	281,519	---	---	---
25.3	Purchase from Govt. Accts.	1,475	---	---	---
25.4	Operation & maintenance of facilities	---	298,962	312,268	13,306
25.7	Operation & maintenance of equipment	1,949	---	---	---
26.0	Supplies & materials	2,496	5,710	5,731	21
31.0	Equipment	880	1,400	1,487	87
	Total, FPS, Building Specific Security	**$340,220**	**$377,765**	**$392,701**	**$14,936**
Full Time Equivalents		389	409	409	---

PPA Mission Statement

The Building Specific Security Program is based on security requirements specific to a particular building. The two components are the Contract Security Guard and Security Systems Programs. The Contract Security Guard Program includes access control to facility entrances and exits, employee and visitor identification checks, monitoring security equipment, and roving patrols of the interior and exterior of Federal facilities. The Security Systems Program includes the purchase, installation, and maintenance of security equipment, such as cameras, alarms, magnetometers, and x-ray machines. Security equipment is based on identified projects in security surveys and standard replacement schedules.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$44,946**	**$42,783**	**$43,864**	**$1,081**

Salaries and Benefits includes costs for 409 FTEs. The FY 2007 request includes an increase of $1,081,000 increase in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$1,674**	**$4,590**	**$4,660**	**$70**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $70,000 in non-pay inflation. Funding in this area will be used for all travel requirements required by the building specific program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$2,208**	**$5,400**	**$5,482**	**$82**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $82,000 for passenger motor vehicles and non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$890**	**$14,600**	**$14,823**	**$223**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $223,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$2,183**	**$4,200**	**$4,264**	**$64**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $64,000 to fund communication equipment e.g., cell phones and radios.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$120**	**$122**	**$2**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes an increase of $2,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$298,962**	**$312,268**	**$13,306**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $13,306,000 to fund non revenue space and overhead expenses.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$2,496**	**$5,710**	**$5,731**	**$21**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $21,000 for law enforcement supplies.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$880**	**$1,400**	**$1,487**	**$87**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $87,000 to purchase new security equipment e.g., cameras, alarms, magnetometers, and x-ray machines.

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Federal Protective Service

FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Basic Security	---	3,645	3,645	---
Total Working Capital Fund	**$0**	**$3,645**	**$3,645**	**$0**

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Department of Homeland Security

U.S. Immigration and Customs Enforcement

Automation Modernization

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Immigration and Customs Enforcement
Automation Modernization

I. Appropriation Overview

A. Mission Statement for Appropriation Name:

ATLAS is the principal automation modernization program for improving information-sharing across the Department of Homeland Security (DHS) and ICE organizations, strengthening information availability, providing a fully secure IT environment, and maintaining workforce productivity.

B. Budget Activities:

ATLAS Automation Modernization Projects

(1) "Common Computing Environment" is a project to provide ICE e-mail standardization, implement a hardware refresh strategy to support ICE workforce production and integrate ICE with a shared DHS active directory structure;

(2) "Integration" is a project to migrate ICE offices to the DHS One Network infrastructure to support information access, distribution, and management DHS-wide;

(3) "ICE Mission Information" is a project to organize information so ICE users can find relevant, timely information from the best sources, improve information searching capabilities, and implement tools for integrating legacy applications with Web-enabled front-ends;

(4) "Information Assurance" is a project to infuse strong information, network, and computer security measures to protect ICE information and systems;

(5) "Architecture Engineering" is a project to provide state-of-the-art engineering facilities and tools to manage, operate, evaluate, and test new technologies that are in alignment with DHS Technical Architecture; and

(6) "Transformation Planning" is a project to coordinate transformation projects, ensure compliance with the DHS Enterprise Architecture (EA) as well as adherence to cost, schedule, and performance goals.

C. Budget Request Summary:

ICE requests no positions, FTE, or funding. The total adjustment-to-base is a reduction of $39,748,000, the FY 2006 level.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Automation Modernization
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Automation Modernization	---	$1,240	---	$39,748	---	---		-$39,748	---	---	---	-$39,748
Subtotal, Enacted Appropriations and Budget Estimates	---	**$1,240**	---	**$39,748**	---	---	---	**($39,748)**	---	---	---	**($39,748)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	---	**$1,240**	---	**$39,748**	---	---	---	**($39,748)**	---	---	---	**($39,748)**

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Automation Modernization
Program Performance Justification
(Dollars in thousands)

PPA: Automation Modernization

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$1,240**
2006 Revised Enacted	...	...	**39,748**
2007 Adjustments-to-Base	...	...	(39,748)
2007 Current Services	...	...	...
2007 Program Change	...	...	...
2007 Request	...	...	...
Total Change 2006-2007	...	...	(39,748)

ICE requests no new funding for this activity. Resources provided in 2005 and 2006 will enable a sufficiently strong modernization program into 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

ATLAS is the Immigration and Customs Enforcement (ICE) principal automation modernization program for improving information-sharing, strengthening information availability, providing a fully secure connectivity environment, and improving workforce productivity within the ICE organization.

ATLAS integrates enforcement capability rooted in a "One DHS" vision that includes sharing information, coordinating systems for identifying threats, forging DHS-wide standards and weaving together networks. To this end, the ATLAS mission is to create, sustain, secure, and manage an information technology (IT) infrastructure that supports ICE law enforcement programs.

ATLAS Automation Modernization Projects

(1) "Common Computing Environment" is a project to provide ICE e-mail standardization, implement a hardware refresh strategy to support ICE workforce production and integrate ICE with a shared DHS active directory structure;

(2) "Integration" is a project to migrate ICE offices to the DHS One Network infrastructure to support information access, distribution, and management DHS-wide;

(3) "ICE Mission Information" is a project to organize information so ICE users can find relevant, timely information from the best sources, improve information searching capabilities, and implement tools for integrating legacy applications with Web-enabled front-ends;

(4) "Information Assurance" is a project to infuse strong information, network, and computer security measures to protect ICE information and systems;

(5) "Architecture Engineering" is a project to provide state-of-the-art engineering facilities and tools to manage, operate, evaluate, and test new technologies that are in alignment with DHS Technical Architecture; and

(6) "Transformation Planning" is a project to coordinate transformation projects, ensure compliance with the DHS Enterprise Architecture (EA) as well as adherence to cost, schedule, and performance goals.

ATLAS Program Goals

· Enhance ICE workforce productivity;
· Ensure integrity, security, and privacy of information and data assets;
· Promote information sharing and collaboration;
· Strengthen ICE IT program management;
· Establish a standard IT environment ICE-wide; and
· Enhance the security and protection of US citizens.

No new funding is requested for FY 2007. Because of delays in the obligation of FY 2004-2005 resources ($49.4 million), as well as significant appropriations provided in 2006 ($39.7M), ICE anticipates that an aggressive modernization program can be continued into 2007 without new funding.

ATLAS spending is subject rigorous external review and approval before obligations can be incurred. ICE established an ATLAS Program Management Office to ensure effective program management and facilitate the review process. Expenditure plans for 2005 and 2006 are in review and will be completed in the near future.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Justification of Proposed Changes in Automation Modernization
Appropriation Language

[For expenses of immigration and customs enforcement automated systems, $40,150,000, to remain available until expended: Provided, That none of the funds appropriated under this heading may be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security that --

(1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11, part 7;

(2) complies with the Department of Homeland Security enterprise information systems architecture;

(3) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government;

(4) includes a certification by the Chief Information Officer of the Department of Homeland Security that an independent verification and validation agent is currently under contract for the project;

(5) is reviewed and approved by the Department of Homeland Security Investment Review Board, the Secretary of Homeland Security, and the Office of Management and Budget; and

(6) is reviewed by the Government Accountability Office.] (*Department of Homeland Security Appropriations Act, 2006.*)

Explanation of Changes:

Because no funding is requested, appropriations language is proposed for deletion.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Automation Modernization
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	**1,240**
2006 Revised Enacted	---	---	**39,748**
Adjustments-to-Base			
Decreases			
Total Decreases	---	---	(39,748)
Total Adjustments-to-Base	---	---	**(39,748)**
2007 Current Services	---	---	**---**
2007 Request	---	---	**---**
2006 to 2007 Total Change	---	---	**(39,748)**

C. Summary of Requirements

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Automation Modernization
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	$1,240
2006 Revised Enacted	---	---	39,748
Adjustments-to-Base			
Decreases	---	---	(39,748)
Total Adjustments-to-Base	---	---	(39,748)
2007 Current Services	---	---	---
2007 Total Request	---	---	---
2006 to 2007 Total Change	---	---	(39,748)

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Automation Modernization	---	---	39,748	---	---	($39,748)	---	---	---	---	---	---	---	---	($39,748)
Total	---	---	**$39,748**	---	---	**($39,748)**	---	---	---	---	---	---	---	---	**($39,748)**

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Automation Modernization
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Object Classes:				
25.1 Advisory and assistance services	1,145	19,670	---	(19,670)
31.0 Equipment	95	20,078	---	(20,078)
Total, Other Object Classes	**$1,240**	**$39,748**	**$0**	**($39,748)**
Total, Direct Obligations	**$1,240**	**$39,748**	**$0**	**($39,748)**
Unobligated balance, start of year	(9,817)	(48,181)	(48,181)	---
Unobligated balance, end of year	48,181	48,181	48,181	---
Total requirements	**$39,604**	**$39,748**	**$0**	---

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Automation Modernization
Funding Schedule
(Dollars in Thousands)

PPA: Automation		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
25.1	Advisory & Assistance Services	1,145	19,670	---	(19,670)
31.0	Equipment	95	20,078	---	(20,078)
Total, Automation		**$1,240**	**$39,748**	**$0**	**($39,748)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

Automation resources are provided in support of major information technology (IT) projects within Immigration and Customs Enforcement (ICE). Automation modernization is mission-critical, with a long-term effort to meet expanding ICE needs by streamlining and re-engineering core business functions with the application of IT. Atlas is the principal automation modernization program for improving information-sharing, strengthening information availability, providing a fully secure connectivity environment, and improving workforce productivity within the ICE organization.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$1,145**	**$19,670**	**$0**	**($19,670)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. For Atlas, such services are primarily for IT operation and maintenance (O&M) for costs associated with maintenance for network servers, softwareand project management support services, training support, end user support, computer security, engineering and technical support, and other miscellaneous contractual services. For FY 2007, no additional funding for contractual IT advisory and assistance (O&M) services is requested. Funding provided in FY 2006 remains available until expended.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$95**	**$20,078**	**$0**	**($20,078)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. For Atlas, costs that classify as equipment include mobile/portable radios, software (capitalized and non-capitalized), network servers, special purpose IT equipment and network-related equipment. For FY 2007, no additional funding for equipment is requested. Funding provided in FY 2006 remains available until expended.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U.S. Immigration and Customs Enforcement

Construction

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Immigration and Customs Enforcement
Construction

I. Appropriation Overview

The Construction account funds are no-year funds and are available until expended. Resources are for necessary expenses to plan, construct, renovate, equip, and maintain buildings and facilities necessary for the administration and enforcement of the laws relating to customs and immigration.

B. Budget Activities:

Major Construction
The Detention and Removal Construction Program provides for the planning, design, and construction of housing, processing, medical, administrative, and support facilities to support the detention of aliens. The FY 2007 request includes capital investment projects at two Service Processing Centers that will (1) provide an additional 250 beds for new detainees, (2) provide a maintenance and storage facility that will also be utilized for repair of vehicles and other motorized equipment, and (3) improve the ability of one facility to provide its own water needs.

Repair and Alterations
The request also includes funds for repair and alteration to existing structures.

C. Budget Request Summary:

ICE requests 9 positions, 9 FTE, and $26,281,000. This represents no increase over 2006.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Construction	9	$25,338	9	$26,281	9	$26,281		$0	---	---	---	$0
Subtotal, Enacted Appropriations and Budget Estimates	9	$25,338	9	$26,281	9	$26,281	---	$0	---	---	---	$0
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	9	$25,338	9	$26,281	9	$26,281	---	$0	---	---	---	$0

25756A

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction
Program Performance Justification
(Dollars in thousands)

PPA: Construction

	Perm Pos	FTE	Amount
2005 Actual	**9**	**9**	**$25,338**
2006 Enacted	**9**	**9**	**26,281**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	**9**	**9**	**26,281**
2007 Program Change	...	...	...
2007 Request	**9**	**9**	**26,281**
Total Change 2006-2007	...	...	...

ICE requests $26.3 million for this activity. This represents no increase over 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Construction Program provides housing, processing, medical, administrative, and support facilities needed to assist and meet the needs of Detention and Removal activities. The Construction account funds are no-year funds and are available until expended. The FY 2007 Construction Program for Detention and Removal includes capital investment projects at two Service Processing Centers that will (1) provide an additional 250 beds for new detainees, (2) provide a maintenance and storage facility that will also be utilized for repair of vehicles and other motorized equipment, and (3) improve the ability of one facility to provide its own water needs. The repairs and upgrades will include new piping throughout the facility, a major expansion of the waste treatment plant and a long-term solution to the facility's waster supply needs.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Justification of Proposed Changes in Construction
Appropriation Language

For necessary expenses to plan, construct, renovate, equip, and maintain buildings and facilities necessary for the administration and enforcement of the laws relating to customs and immigration, [$26,281,000] ***$26,281,000***, to remain available until expended. (Department of Homeland Security Appropriations Act, 2007.)

Explanation of Changes:
No changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	9	9	$25,338
2006 Revised Enacted	9	9	26,281
Adjustments-to-Base			
Total Adjustments-to-Base	---	---	---
2007 Current Services	9	9	26,281
2007 Request	9	9	26,281
2006 to 2007 Total Change	---	---	---

C. Summary of Requirements

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	**9**	**9**	**$25,338**
2006 Revised Enacted	**9**	**9**	**26,281**
Adjustments-to-Base			
Increases	---	---	---
Total Adjustments-to-Base	---	---	---
2007 Current Services	**9**	**9**	**26,281**
2007 Total Request	**9**	**9**	**26,281**
2006 to 2007 Total Change	---	---	---

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Construction	9	9	$26,281	---	---	$0	---	---	$ ---	9	9	$26,281	---	---	$0
Total	**9**	**9**	**$26,281**	---	---	**$0**	---	---	**$0**	**9**	**9**	**$26,281**	---	---	**$0**

Note:

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$ 1,109	$ 1,125	$ 1,141	$16
11.5 Other Personnel Compensation	$ 65	$ 66	$ 66	---
12.1 Benefits	$ 308	$ 312	$ 312	---
Total, Personnel Comp. & Benefits	**$1,482**	**$1,503**	**$1,519**	**$16**
Other Object Classes:				
21.0 Travel	16	16	16	---
23.3 Communications, utilities, & other misc. charges	24	24	24	---
25.1 Advisory and assistance services	39	40	40	---
25.3 Purchases of goods & svcs. from Gov't accounts	23,767	24,688	24,672	(16)
25.7 Operation and maintenance of equipment	10	10	10	---
Total, Other Object Classes	**$23,856**	**$24,778**	**$24,762**	**($16)**
Total, Direct Obligations	**$25,338**	**$26,281**	**$26,281**	**$0**
Unobligated balance, start of year	(71)	(938)	(938)	---
Unobligated balance, end of year	938	938	938	---
Recoveries of prior year obligations	---	---	---	---
Total requirements	**$26,205**	**$26,281**	**$26,281**	**---**

Note: FY06 and FY07 amounts for OC 25.3 in MAX are $24 million.

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
GS-15	1	1	1	---
GS-14	8	8	8	---
Total Permanent Positions	**9**	**9**	**9**	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	9	9	9	---
FTE	**9**	**9**	**9**	---
Headquarters	9	9	9	---
Total Permanent Positions	**9**	**9**	**9**	---
Average GS Salary	$ 99,799	$ 98,317	$ 100,873	$ 2,556
Average GS Grade	14.33	14.11	14.11	---

G. Capital Investment and Construction Initiative Listing

U.S. Immigration and Customs Enforcement

Construction

The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 and other immigration statues authorize ICE to detain illegal aliens who are charged with immigration violations, have entered the United States illegally, or have been ordered to leave the country. These aliens are detained while their immigration proceedings are administered, which in, turn facilitates their proper and expedient removal from the country. ICE's Office of Detention and Removal (DRO) administers a national detention program that uses funding appropriated specifically for the care of these aliens and includes the transportation, housing, subsistence, medical care, and guard service necessary to provide safe and humane environments for the detainee population and detention staff. The responsibility begins when a detainee enters DRO custody and continues until the alien can be released into the community or removed from the United States. The detainee population is generated by multi-component investigative and prosecutorial efforts within the Department of Homeland Security.

The Detention and Removal Construction Program provides housing, processing, medical, administrative, and support facilities needed to support the detention of aliens. These expansion projects are part of an ongoing capital investment program that is intended to meet the growing national demand for detention capacity. ICE continues to address the need for bed space and support facilities required to handle the processing and removal of aliens during immigration proceedings, relative to the total number of potentially removable aliens in the country.

The FY 2007 Detention and Removal Construction Program includes capital investment projects at two Service Processing Centers (SPCs) that will (1) increase capacity by 250 detainees, (2) provide a maintenance and storage facility and (3) improve the ability of one facility to provide its own water needs. The request also includes funds for repair and alteration to existing structures. A Master Plan has been developed for these SPCs, and these projects reflect logical next steps in each plan.

The table below provides a prioritized list of FY 2007 projects:

	FY 2007 FUNDING REQUEST (000)			FUNDING FROM	
INITIATIVE NAME	**Total**	**Current Level**	**New Initiative**	**Budget Activity**	**Program's Name**
Krome 250-Bed Secure Dorm	$6,409	$6,409	-	Construction	Construction
Krome Maintenance	5,000	-	$5,000	Construction	Construction
Port Isabel Infrastructure	9,000	-	9,000	Construction	Construction
Facility Repair & Alteration	5,872	5,872	-	Construction	Construction
Total All Construction	**$26,281**	**$12,281**	**$14,000**	**Construction**	**Construction**

Krome 250-Bed Secure Dorm

1. Project Description, Justification, and Scope

The Secure Dorm project is based on a prototypical design that includes individual hardened cells - unlike the rest of the existing open dormitory detainee bed layouts. This project will provide 250 beds for new detainees but will not include any family housing. The expansion of the Krome, Florida facility by 250 beds is needed to address a continually expanding detention requirement related to a nationwide illegal alien population estimated at over eight million.

The Krome Dorm 2 housing unit will increase the SPC's capacity by a total of 250 beds. This capacity is currently being provided to DRO via inter-governmental service agreements (ISGAs) in the south Florida area. For reasons such as local politics and local crime demographics, the availability of detention capacity in this geographic area is always difficult. The master plan for the KROME SPC has taken into consideration this environment and over the years has improved the facility's infrastructure to accommodate new housing and administrative facilities, including KROME Dorm 2. Additionally, consolidation of this capacity onto the KROME campus will reduce overall detention costs by taking advantage of existing operations at the SPC and eliminating expensive management and oversight at remote facilities.

The total cost for this activity is estimated to be $26.6 million, to be funded across two fiscal years. Initial funding in the amount of $20 million was appropriated in FY 2006, with the remaining $6 million being requested in FY 2007.

The additional beds will not have a direct impact on staffing requirements in FY 2007. As is often the case where construction is concerned, support resources for increased capacity usually follow a one to two year lag time after installation of necessary infrastructure. The Custody Management budget request will reflect any resources needs at the proper time.

2. Significant Changes

The budget data submitted for FY 2006 accounted for total funding for the Dorm at Krome. The FY 2007 budget plans for the funding to be distributed over two years.

3. Project Schedule

	Work Initiated	Work Completed	Physical Construction Start	Physical Construction Complete	Total Estimated Cost (000)	Total Project Cost (000)
FY 2007 Budget Request	10/01/2006	3/31/2008	12/31/2006	3/31/2008	$6,409	$26,409

4. Schedule of Project Funding
(Dollars in Thousands)

	Dollars in Thousands				
	Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Obligation (actual and planned)	-	-	$20,000	$6,409	$26,409
Expenditure (actual and planned)	-	-	$20,000	$6,409	$26,409

Break down of project related expenditures: Krome Dorm

Facility cost:	
Construction	$19,080
Survey and Design	1,259
Project Management	1,259
Design and Engineering	1,259
Documentation and filing costs	767
Other Costs	
(Permitting, Utilities, Contingencies, Site development)	2,785
Total Project Expenditures:	$26,409

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

	(Dollars in Thousands)	
	Current Estimate	**Previous Estimate**
Construction:		
Improvement to land	$1,000	-
Buildings	14,226	$9,630
Utilities	3,569	4,100
Standard Equipment	1,750	1,050
Project Management	1,259	1,050
Contingencies:		
Design Phase	500	1,050
Construction Phase	1,320	520
Other Costs:	2,785	2,600
Project Total	$26,409	$20,000

6. Related Annual Funding Requirements

	(Dollars in Thousands)	
These costs will not be incurred until FY 09:	**Current Estimate**	**Previous Estimate**
Maintenance/Repair	$868	$868
Security	$2,464	$2,464

Krome Maintenance

7. Project Description, Justification, and Scope

The Krome Maintenance project will provide a singular efficient space for the storage and repair of the facility's equipment. Space will be provided for the repair of vehicles and other motorized equipment. The new space will replace the current maintenance shop which is smaller in capacity and lacks the infrastructure to handle the maintenance and repair requirements of the SPC.

8. Significant Changes

This is a new request. No data was submitted in FY 2006.

9. Project Schedule

	Work Initiated	**Work Completed**	**Physical Start**	**Physical Complete**	**Total Estimated Cost (000)**	**Total Project Cost (000)**
FY 2007 Budget Request	10/1/2006	8/1/2007	2/1/2007	8/1/2007	$5,000	$5,000

10. Schedule of Project Funding

	Dollars in Thousands				
	Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Obligation (actual and planned)	-	-	-	$5,000	$5,000
Expenditure (actual and planned)	-	-	-	$5,000	$5,000

Break down of project related expenditures: Krome Maintenance

Facility cost:	
Construction	$3,000
Survey and Design	500
Project Management	250
Design and Engineering	750
Documentation and filing costs	250
Other Costs	
(Permitting, Utilities, Contingencies, Site development)	250
Total Project Expenditures:	$5,000

11. **Cost Estimate Detail and Changes**

	(Dollars in Thousands)	
	Current Estimate	**Previous Estimate**
Construction:		
Improvement to land	$500	-
Buildings	3,000	-
Utilities	250	-
Standard Equipment	500	-
Project Management	250	-
Contingencies:		
Design Phase	250	-
Construction Phase	250	-
Project Total	$5,000	-

12. Related Annual Funding Requirements:

	(Dollars in Thousands)	
These costs will not be incurred until FY 09:	**Current Estimate**	**Previous Estimate**
Maintenance/Repair	150	-
Utilities		
Security	150	-

Port Isabel Infrastructure

13. Project Description, Justification, and Scope

Due to an inadequate and inconsistent water supply, along with the expanding population, the water supply and circulation infrastructure at Port Isabel, Texas is in need of major repairs and upgrades, including new piping throughout the facility, a major expansion of the wastewater treatment plant and a long term solution to the facility's water supply needs.

14. Significant Changes

This is a new request. No data was submitted in FY 2006.

15. **Project Schedule**

	Work Initiated	Work Completed	Physical Start	Physical Complete	Total Estimated Cost (000)	Total Project Cost (000)
FY 2007 Budget Request	10/1/05	10/1/10	10/1/05	10/1/10	$9,000	$9,000

16. Schedule of Project Funding

	Dollars in Thousands				
	Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Obligation (actual and planned)	-	-	-	$9,000	$9,000
Expenditure (actual and planned)	-	-	-	$9,000	$9,000

Break down of project related expenditures: Port Isabel Infrastructure

Facility cost:	
Construction	$3,300
Survey and Design	1,000
Project Management	1,500
Design and Engineering	2,500
Documentation and filing costs	350
Other Costs	
(Permitting, Utilities, Contingencies, Site development)	350
Total Project Expenditures:	$9,000

17. **Cost Estimate Detail and Changes**

	(Dollars in Thousands)	
	Current Estimate	**Previous Estimate**
Construction:		
Improvement to land	1,200	-
Buildings	-	-
Utilities	1,200	-
Standard Equipment	-	-
Project Management	1,500	-
Contingencies:		
Design Phase	1,200	-
Construction Phase	1,200	-
Other Costs:	2,700	-
Project Total	9,000	-

18. Related Annual Funding Requirements:

	(Dollars in Thousands)	
These costs will not be incurred until FY 12:	**Current Estimate**	**Previous Estimate**
Maintenance/Repair	500	-
Utilities		
Security	500	-

Facility Repair & Alterations

19. Project Description, Justification, and Scope

Repair and alteration projects are continually identified at existing ICE owned facilities. These projects are not capital construction projects, but are repair and alteration projects identified as projects to maintain government owned facilities and allow facilities to comply with life safety requirements and code compliance.

20. Significant Changes

No significant changes are present with regard to previously submitted budget data in 2006.

21. **Project Schedule**

	Work Initiated	Work Completed	Physical Start	Physical Complete	Total Estimated Cost (000)	Total Project Cost (000)
FY 2007 Budget Request	-	-	10/01/2006	9/30/2007	$5,872	$5,872

22. Schedule of Project Funding

	Dollars in Thousands				
	Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Obligation (actual and planned)	-	-	$6,541	$5,872	$12,413
Expenditure (actual and planned)	-	-	$6,541	$5,872	$12,413

Repair and alteration projects are not capital construction projects and are not illustrated in the same manner as capital construction projects. Break down of projects related to expenditures is modified to reflect segments of repair and alteration projects.

Break down of project related expenditures: Repair and Alterations

Facility cost:	
Alterations	$1,603
Repairs	1,603
Minor Construction	1,604
Management	200
Contingencies	862
Other Costs	
Total Project Expenditures:	$5,872

23. **Cost Estimate Detail and Changes**

	(Dollars in Thousands)	
	Current Estimate	**Previous Estimate**
Construction:		
Repairs To Existing Facilities	$1,680	$1,541
Buildings	1,290	1,290
Utilities	1,000	1,000
Alterations To Existing Facilities	700	1,000
Site Work	455	655
Project Management	455	655

Design Work	200	200
Other Costs:	92	200
Project Total	$5,872	$6,541

24. Related Annual Funding Requirements:

	(Dollars in Thousands)	
	Current Estimate	**Previous Estimate**
Maintenance/Repair	N/A	-
Utilities	N/A	-
Security	N/A	-

25. Method of Performance

All DRO projects are planned, managed and monitored through an interagency service agreement with DHS Customs and Border Protection (CBP). CBP, in turn, contracts with the United States Army Corps of Engineers (USACE) to provide for environmental documentation, planning, design, construction, procurement, and management of services to include, construction design, planning, and project management.

Per the Service Level Agreement (SLA), CBP is responsible for the provision of services to ICE. The fulfillment of each task is graded as Excellent, Satisfactory, Unsatisfactory, Poor or Not Applicable. The following services have been established by the SLA:

- Establish and maintain design guides and standards for ICE facilities
- Develop requirements for facilities
- Maintain ICE owned facilities inventory
- Provide annual facility assessment for ICE nationwide cost/benefit analysis with respect to real property
- Provide annual facilities assessment to establish repair and alteration program and budget
- Prepare short and long term (10 years) planning and recommendations
- Prepare any and all documentation necessary for investment review in accordance with applicable management directives of the Department of Homeland Security including business cases for facility projects that meet cost threshold criteria
- Prepare appropriations process documents (e.g., documentation for a budget formulation package) for facility projects
- Prepare Annual Work Plan describing the projects to be executed e.g., assess construction needs, identify costs for construction projects. [The Annual Work Plan should be updated consistent with changes in the overall mission strategy of ICE]
- Define scope of work for each facility project
- Prepare and approve Project Management Plan
- Subject to funding, perform necessary feasibility studies for facility projects. (Identify specific studies to include project control assessments, requirements)

- Perform all necessary compliance processes and procedures and prepare associated documentation for any and all project related legal obligations
- To act as agent for lease negotiations or land purchase needed for facility projects
- Provide design, engineering, construction contracting, construction management, occupational health and safety, and legal support for each project
- Provide a monthly report that identifies if each project being executed is tracking to its cost, schedule, and performance baseline (Monthly Status Report)
- Notify the ICE point of contact of any impending breach[s] of a performance, schedule, or cost baseline for a specified facilities project
- Provide a monthly status report of all funds transferred from ICE (Budget Compliance)
- Meet with ICE following the collection of customer satisfaction data to identify actions to improve customer satisfaction
- Report quarterly to ICE the status of actions for improving customer satisfaction

26. Budget Allocation to Programs

	Allocated Budget (Thousands)
Program	**FY 2007**
Construction	$26,281
Total	$26,281

27. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders.

The USACE is responsible for the compliance of all applicable laws, code compliance, regulations and standards for all ICE projects. The services being provided by USACE are now being managed and monitored by CBP. A service level agreement between ICE and CBP outlines the roles and responsibilities of both ICE and CBP in accomplishing the execution of all capital construction and repair and alteration projects at ICE facilities.

ICE projects must comply with the following life-safety codes and standards:

- Local building codes or the latest edition of one of the model building codes, including Uniform Building Code (UBC); Building Officials & Code Administrators International (BOCA); Standard Building Code (SBC); and International Building Code 2000 (IBC).
- National Fire Protection Association (NFPA) Standard 101 Life Safety Code
- National Electric Code.

ICE Facilities must also comply with the ICE Detention Design Guidelines (2002 edition), and the ICE Detention Construction Guidelines (2004 edition).

Handicapped accessibility codes and standards apply to ICE facilities as follows:

- Facilities must comply with the Uniform Federal Accessibility Standards, Federal Standard 795.
- Facilities should comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG).

H. PPA Budget Justifications

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction
Funding Schedule
(Dollars in Thousands)

PPA: Construction		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$ 1,109	$ 1,125	$ 1,141	$16
11.5	Other per comp	$ 65	$ 66	$ 66	---
12.1	Benefits	$ 308	$ 312	$ 312	---
21.0	Travel	$ 16	$ 16	$ 16	---
23.3	Communication, Utililities, and misc charges	$ 24	$ 24	$ 24	---
25.1	Advisory & Assistance Services	$ 39	$ 40	$ 40	---
25.3	Purchase from Govt. Accts.	$ 23,767	$ 24,688	$ 24,672	(16)
25.7	Operation & maintenance of equipment	$ 10	$ 10	$ 10	---
Total, Construction		**$25,338**	**$26,281**	**$26,281**	**$0**
Full Time Equivalents		9	9	9	---

PPA Mission Statement

The Construction account funds are no-year funds and are available until expended. Resources are for necessary expenses to plan, construct, renovate, equip, and maintain buildings and facilities necessary for the administration and enforcement of the laws relating to customs and immigration.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,482**	**$1,503**	**$1,519**	**$16**

Salaries and Benefits includes costs for 9 FTEs. The FY 2007 request includes an increase of $16,000 in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$16**	**$16**	**$16**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$24**	**$24**	**$24**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$39**	**$40**	**$40**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$23,767**	**$24,688**	**$24,672**	**($16)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of of $16,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$10**	**$10**	**$10**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request has no change.

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Construction

FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	Increase / Decrease for FY 2007
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
DRO - Custody Management	---	8	8	---
Total Working Capital Fund	**$0**	**$8**	**$8**	**$0**

Department of Homeland Security

U.S. Immigration and Customs Enforcement

Student and Exchange Visitor Program

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program

I. Appropriation Overview

The Student and Exchange Visitor Program (SEVP), administers the School Certification Program and manages the Student and Exchange Information System (SEVIS), a web-based system for maintaining information on international students and exchange visitors (F,M, J visa classification) in the United States. SEVIS is designed to keep our nation safe while facilitating the participation of students and exchange visitors seeking to study in the United States.

B. Budget Activities:

SEVP administers and manages SEVIS; administers the School Certification Program; and provides support for compliance enforcement efforts. SEVIS is used by the Office of Investigation – Compliance Enforcement Unit (CEU) to identify foreign students and exchange visitors who fail to enroll or maintain status at their schools. The CEU also uses SEVIS to identify schools and exchange visitor programs that are not in compliance.

C. Budget Request Summary:

- ICE requests 135 positions, 121 FTEs, and $54,349,000. The total adjustments-to-base is 14 FTE and $5,349,000 due to anticipated increase in collections.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Student and Exchange Visitor Program	13	$31,802	107	$49,000	121	$54,349	14	$5,349	---	---	14	$5,349
Subtotal, Enacted Appropriations and Budget Estimates	**13**	**$31,802**	**107**	**$49,000**	**121**	**$54,349**	**14**	**$5,349**	**---**	**---**	**14**	**$5,349**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**13**	**$31,802**	**107**	**$49,000**	**121**	**$54,349**	**14**	**$5,349**	**---**	**---**	**14**	**$5,349**

Actual obligations for FY 2005 reflect a difference of $14.7 million below the collections reported in OMB MAX. The amount reported in MAX for FY 2005 is $46 million.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
Program Performance Justification
(Dollars in thousands)

PPA: Student and Exchange Visitor Program

	Perm Pos	FTE	Amount
2005 Actual	**14**	**13**	**$31,802**
2006 Enacted	**107**	**107**	**49,000**
2007 Adjustments-to-Base	28	14	5,349
2007 Current Services	**135**	**121**	**54,349**
2007 Program Change	---	---	---
2007 Request	**135**	**121**	**54,349**
Total Change 2006-2007	28	14	5,349

ICE requests $54.3 million for this activity. This is an increase of $5.3 million over FY 2006 due to anticipated increase in collections.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Student and Exchange Visitor Program (SEVP) ensures that international students and exchange visitors studying in the United States comply with visa rules and immigration law. The Student and Exchange Visitor Information System (SEVIS), administered by SEVP, is a web-based system for maintaining information on international students and exchange visitors (F, M and J visa classification) in the United States. SEVIS is administered by SEVP. SEVIS is designed to keep our nation safe while facilitating the participation of students and exchange visitors seeking to study in the United States.

SEVIS is ICE's core technology in this critical homeland security mission. SEVIS is primarily used by the Compliance Enforcement Unit (CEU) to identify foreign students and exchange visitors who fail to enroll or maintain status at their schools. The CEU also uses SEVIS to identify schools and exchange visitor programs that are not in compliance with regulatory requirements.

A SEVP form I-901 processing fee is paid by all prospective students and exchange visitors ($100 for most and $35 for some exchange visitors) prior to seeking a visa at the consulates and embassies overseas. This fee, in addition to the fees collected from schools seeking certification to host nonimmigrant students, provides the full funding for SEVP, as well as partial funding for the CEU and the Department of State, Office of Exchange Coordination and Designation.

In FY 2005, SEVP continued to administer and manage SEVIS; administer the School Certification Program and support compliance enforcement. Some of SEVP's major accomplishments for FY 2005 included:

- Reduced the waiting time for customers to speak with someone at the SEVIS Help Desk from 5 minutes and 36 seconds to 1 minute and 11 seconds;
- Provided training to the SEVIS Help Desk before new guidance was issued or a new release was implemented to better assist in answering questions in a timely manner;
- Maintained SEVIS availability maintained 100 percent 7 days a week;
- Increased the number of F/M data fix tickets resolved and closed within 90 days from 29 percent to 62 percent;
- Increased the number of J data fix tickets resolved and closed within 90 days from 11 percent to 28 percent;
- Implemented the Data Fix Elimination Plan on April 1, 2005 reducing the backlog by 54% on August 5, 2005
- Posted as of July 2005, two SEVP Operating Instructions (SOIs) posted on the SEVIS Web site;
- Implemented of a web-based training module for F/M users in August.

For FY 2006, the funding provided supports 107 positions, which include:

- Director, Deputy Director, Special Assistant, 5 Branch Chiefs, 1 Program Manager, 14 Adjudication Officers, 12 Program Analysts/Assistants, 6 IT Specialists, 1 Management Analyst, 1 Liaison Chief, 1 Attorney and 3 IT Support positions;
- 56 Special Agent positions for the CEU;
- 1 Program Manager, 2 Program Analyst/Coordinator positions and 1 IT Specialist for the Department of State.

These funds will allow SEVP to continue to administer and manage SEVIS; administer the School Certification Program; and support compliance enforcement. Some of SEVP's goals for FY 2006 are:

- Conduct a fee study;
- Enhance SEVIS reporting capabilities with the development of a new reporting tool;
- Establish a mechanism for tracking customer satisfaction via feedback surveys;
- Resolve 100 percent of incoming F/M data fix tickets within 60 days (currently completing 62 percent within 90 days);
- Resolve 100 percent of incoming J data fix tickets within 60 days (currently completing 28 percent within 90 days);
- Develop and post to the SEVP website SOIs for 8 additional subject areas;
- Develop and deploy via the SEVP website a web-based training module for F/M, and also J users;
- Train new/incoming officers/agents in SEVIS policies and procedures by incorporating a SEVIS module in the FLETC training program offered at the Glynco training facility.

During FY 2006, SEVP also plans to begin recertification of all SEVIS certified schools as required by the Border Security Act of 2002. Recertification includes a review of school performance within SEVIS over the previous two years – recordkeeping, data fixes, advertising, etc. These activities will help reduce the threat of improper admission and undetected status violators using F, M, and J visas, and will improve the ability to detect and investigate schools that are non-compliant.

FY 2007 request provides funding to support 23 Special Agent positions for Investigations. The new positions will facilitate increased enforcement efforts.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Justification of Proposed Changes in Student and Exchange Visitor Program
Appropriation Language

Not applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**14**	**13**	**$ 31,802**
2006 Revised Enacted	**107**	**107**	**49,000**
Adjustments-to-Base			
Increases			
Increase/Decrease in Collections	28	14	5,349
Total Increases	28	14	5,349
Total Adjustments-to-Base	28	14	5,349
2007 Current Services	**135**	**121**	**54,349**
2007 Request	**135**	**121**	**54,349**
2006 to 2007 Total Change	**28**	**14**	**5,349**

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
	14	**13**	**$ 31,802**
	107	**107**	**49,000**
	28	14	5,349
	28	14	5,349
	135	**121**	**54,349**
	135	**121**	**54,349**
	28	14	5,349

d	2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
$49,000	28	14	$5,349	---	---	$ ---	135	121	$54,349	28	14	$5,349
$49,000	**28**	**14**	**$5,349**	---	---	**$0**	**135**	**121**	**$54,349**	**28**	**14**	**$5,349**

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$1,219	$4,107	$7,239	$3,132
11.3 Other than full-time permanent	$662	$0	$0	---
11.5 Other Personnel Compensation	$155	$48	$81	33
12.1 Benefits	$1,000	$1,792	$3,511	1,719
13.0 Benefits - former	$0	$0	$0	---
Total, Personnel Comp. & Benefits	**$3,036**	**$5,947**	**$10,831**	**$4,884**
Other Object Classes:				
21.0 Travel	310	435	448	13
22.0 Transportation of things	169	10	10	---
23.1 GSA rent	790	7	10	3
23.2 Other rent	---	168	235	67
23.3 Communications, utilities, & other misc. charges	---	230	609	379
25.1 Advisory and assistance services	15,267	8,402	7,468	(934)
25.2 Other services	5,734	3,867	7,471	3,604
25.3 Purchases of goods & svcs. from Gov't accounts	---	453	509	56
25.7 Operation and maintenance of equipment	771	18,133	16,460	(1,673)
26.0 Supplies and materials	44	442	645	203
31.0 Equipment	5,681	10,360	9,438	(922)
32.0 Land & structures	---	546	215	(331)
Total, Other Object Classes	**$28,766**	**$43,053**	**$43,518**	**$465**
Total, Direct Obligations	**$31,802**	**$49,000**	**$54,349**	**$5,349**
Unobligated balance, start of year	(2,706)	(17,614)	(17,614)	
Unobligated balance, end of year	17,614	17,614	17,614	
Recoveries of prior year obligations	12,799			
Total requirements	**$59,509**	**$49,000**	**$54,349**	

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15	1	1	1	---
GS-14	19	19	19	---
GS-13	71	71	84	13
GS-12	4	4	5	1
GS-11	1	1	15	14
GS-10	---	---	---	---
GS-9	3	3	3	---
GS-8	8	8	8	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**107**	**107**	**135**	**28**
Unfilled Positions EOY	93	---	---	---
Total Perm. Employment EOY	14	107	135	28
FTE	**13**	**107**	**121**	**14**
Headquarters	14	51	53	2
U.S. Field	---	56	82	26
Foreign Field	---	---	---	---
Total Permanent Positions	**14**	**107**	**135**	**28**
Average ES Salary	$ ---	$ ---	$ ---	$ ---
Average GS Salary	$ 78,620	$ 79,959	$ 79,698	$ (261)
Average GS Grade	13.14	12.65	12.51	(0.14)

Note: In FY 2005 ICE was under a hiring freeze. Since the hiring freeze has been lifted, we anticipate hiring to our authorized level of positions/FTEs.

G. Capital Investment and Construction Initiative Listing
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program

Not applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
Funding Schedule
(Dollars in Thousands)

PPA: SEVP		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$1,219	$4,107	$7,239	$3,132
11.3	Other than perm	662	---	---	---
11.5	Other per comp	155	48	81	33
12.1	Benefits	1,000	1,792	3,511	1,719
21.0	Travel	310	435	448	13
22.0	Transportation of things	169	10	10	---
23.1	GSA rent	790	7	10	3
23.2	Other rent	---	168	235	67
23.3	Communication, Utililities, and misc charges	---	230	609	379
25.1	Advisory & Assistance Services	15,267	8,402	7,468	(934)
25.2	Other Services	5,734	3,867	7,471	3,604
25.3	Purchase from Govt. Accts.	---	453	509	56
25.7	Operation & maintenance of equipment	771	18,133	16,460	(1,673)
26.0	Supplies & materials	44	442	645	203
31.0	Equipment	5,681	10,360	9,438	(922)
32.0	Land & Structures	---	546	215	(331)
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, SEVP		**$31,802**	**$49,000**	**$54,349**	**$5,349**
Full Time Equivalents		13	107	121	14

PPA Mission Statement

The Student and Exchange Visitor Program (SEVP), which is a division of U.S. Immigration and Customs Enforcement (ICE) administers the School Certification Program and manages the Student and Exchange Visitor Information System (SEVIS), a web-based system for maintaining information on international students and exchange visitors (F,M, J visa classification) in the United States. SEVIS is designed to keep our nation safe while facilitating the participation of students and exchange visitors seeking to study in the United States.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$3,036**	**$5,947**	**$10,831**	**$4,884**

Salaries and Benefits includes costs for 121 FTEs. The FY 2007 request includes an increase of $4,884,000 for personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$310**	**$435**	**$448**	**$13**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $13,000 .

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$169**	**$10**	**$10**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$790**	**$7**	**$10**	**$3**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $3,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$0**	**$168**	**$235**	**$67**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $67,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$0**	**$230**	**$609**	**$379**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $379,000 due to increased collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$15,267**	**$8,402**	**$7,468**	**($934)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $934,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$5,734**	**$3,867**	**$7,471**	**$3,604**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of 3,604,000 attributed to increased collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$453**	**$509**	**$56**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $56,000 from collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$771**	**$18,133**	**$16,460**	**($1,673)**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a decrease of $1,673,000 due to realignment to fund additional FTE for agents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$44**	**$442**	**$645**	**$203**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $203,000 in collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$5,681**	**$10,360**	**$9,438**	**($922)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $922,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$546**	**$215**	**($331)**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes a decrease of $331,000.

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Student and Exchange Visitor Program
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	Increase / Decrease for FY 2007
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
SEVP	---	35	35	---
Total Working Capital Fund	**$0**	**$35**	**$35**	**$0**

Department of Homeland Security

U.S. Immigration and Customs Enforcement

Breached Bond Detention Fund

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund

I. Appropriation Overview

The Breached Bond Detention Fund was authorized in Section 112 of the Department of Justice Appropriations Act of 1993 (P.L. 102-395). The Act amended Section 286 of the Immigration and Nationality Act (INA) of 1952, as amended, by establishing, in the General Fund of the Treasury, a separate account to be called the Breached Bond/Detention Fund. The first $8,000,000 in breached cash and surety bonds collected goes to the General Fund of the U.S. Treasury. All collections in excess of $8,000,000 posted under the INA, which are recovered by the Department of Justice, are deposited as offsetting collections into this fund. Amounts deposited into the fund, which remain available until expended, can be used for expenses incurred in the collection of breached bonds, bond management, litigation activities to obtain compliance from surety companies found to be delinquent in meeting their obligations, and for expenses associated with the detention of criminal and illegal aliens.

B. Budget Activities:
Not Applicable

C. Budget Request Summary:

The U.S. Immigration and Customs Enforcement requests 63 positions, 63 FTE, and $90,000,000 for FY 2007 Request. The total adjustments-to-base is 0 FTE and $3,000,000 for increased collections.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		ase (+) or Decrease (-) For FY Total Changes		Base
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE		AMOUNT
Breached Bond	11	$113,957	63	$87,000	63	$90,000	---		$3,000
Subtotal, Enacted Appropriations and Budget Estimates	**11**	**$113,957**	**63**	**$87,000**	**63**	**$90,000**	---		**$3,000**
Less: Adjustments for Other Funding Sources:									
Net, Enacted Appropriations and Budget Estimates	**11**	**$113,957**	**63**	**$87,000**	**63**	**$90,000**	---		**$3,000**

This table reflects the actual obligations of the Breached Bond Detention Fund.
The budget authority reported in MAX does not reflect the $31.134 million in balances that ICE obligated.

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund
Program Performance Justification
(Dollars in thousands)

PPA: Breached Bond Detention Fund

	Perm Pos	FTE	Amount
2005 Actual	**11**	**11**	**$113,957**
2006 Enacted	**63**	**63**	**87,000**
2007 Adjustments-to-Base	...	...	3,000
2007 Current Services	**63**	**63**	**90,000**
2007 Program Change	...	...	...
2007 Request	**63**	**63**	**90,000**
Total Change 2006-2007	...	...	3,000

U.S. Immigration and Customs Enforcement requests $90 million for this activity. This is an increase of $3 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Breached Bond Detention Fund was authorized in Section 112 of the Department of Justice Appropriations Act of 1993 (P.L. 102-395). The Act amended Section 286 of the Immigration and Nationality Act (INA) of 1952, as amended, by establishing, in the General Fund of the Treasury, a separate account to be called the Breached Bond/Detention Fund. The first $8,000,000 in breached cash and surety bonds collected goes to the General Fund of the U.S. Treasury. All collections in excess of $8,000,000 posted under the INA, which are recovered by the Department of Justice, are deposited as offsetting collections into this fund. Amounts deposited into the fund, which remain available until expended, can be used for expenses incurred in the collection of breached bonds, bond management, litigation activities to obtain compliance from surety companies found to be delinquent in meeting their obligations, and for expenses associated with the detention of criminal and illegal aliens.

At the present time, ICE uses Fund resources to support bed space and related staff. The Fund will support an estimated 2,598 beds in FY 2007. Resources also support 63 staff including Bond Control Specialists, Immigration Enforcement Agents, and Administrative personnel. Staffing levels supported by the Fund will not change with the additional resources.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Justification of Proposed Changes in Breached Bond Detention Fund

Appropriation Language

Not applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	11	11	113,957
2006 Revised Enacted	63	63	87,000
Adjustments-to-Base			
Increases			
Increase/Decrease in Collections			3,000
Total Increases	---	---	3,000
Total Adjustments-to-Base	---	---	3,000
2007 Current Services	63	63	90,000
2007 Request	63	63	90,000
2006 to 2007 Total Change	---	---	3,000

C. Summary of Requirements

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	**11**	**11**	**113,957**
2006 Revised Enacted	**63**	**63**	**87,000**
Adjustments-to-Base			
Increase/Decrease in Collections	---	---	3,000
Total Adjustments-to-Base	---	---	3,000
2007 Current Services	**63**	**63**	**90,000**
2007 Total Request	**63**	**63**	**90,000**
2006 to 2007 Total Change	---	---	3,000

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Breach Bond Detention Fund	63	63	87,000	-	-	3,000	-	-	-	63	63	90,000	-	-	3,000
Total	**63**	**63**	**87,000**	**-**	**-**	**3,000**	**-**	**-**	**-**	**63**	**63**	**90,000**	**-**	**-**	**3,000**

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D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$ 689	$ 2,662	$ 2,680	$18
11.3 Other than full-time permanent	$ 100	$ 76	$ 79	3
11.5 Other Personnel Compensation	$ 8,120	$ 4,063	$ 4,277	214
11.8 Special Service Pay	$ 15	$ 11	$ 12	1
12.1 Benefits	$ 327	$ 891	$ 899	8
Total, Personnel Comp. & Benefits	**$9,251**	**$7,703**	**$7,947**	**$244**
Other Object Classes:				
21.0 Travel	564	431	445	14
22.0 Transportation of things	3	2	2	---
23.1 GSA rent	161	339	351	12
23.2 Other rent	5	4	4	---
23.3 Communications, utilities, & other misc. charges	321	29	30	1
25.1 Advisory and assistance services	1,337	1,021	1,056	35
25.2 Other services	19,735	15,066	15,585	519
25.3 Purchases of goods & svcs. from Gov't accounts	7,029	5,366	5,551	185
25.4 Operation & maintenance of facilities	33,898	25,238	26,131	893
25.7 Operation and maintenance of equipment	8,005	6,111	6,322	211
25.8 Subsistence and support of persons	30,291	23,127	23,925	798
26.0 Supplies and materials	2,730	2,084	2,156	72
31.0 Equipment	627	479	495	16
91.0 Unvouchered	---	---	---	---
Total, Other Object Classes	**$104,706**	**$79,297**	**$82,053**	**$2,756**
Total, Direct Obligations	**$113,957**	**$87,000**	**$90,000**	**$3,000**
Unobligated balance, start of year	(27,698)	(1,711)	(1,711)	
Unobligated balance, end of year	1,711	1,711	1,711	
Recoveries of prior year obligations	5,060			
Total requirements	**$93,030**	**$87,000**	**$90,000**	

This table reflects the actual obligation of the Breached Bond Detention Fund
The budget authority reported in MAX does not reflect the $31.134 million in balances that ICE obligated.

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
GS-11	9	9	9	---
GS-9	15	15	15	---
GS-7	33	33	33	---
GS-5	3	3	3	---
GS-4	3	3	3	---
Total Permanent Positions	**63**	**63**	**63**	---
Unfilled Positions EOY	52	---	---	---
Total Perm. Employment EOY	11	63	63	---
FTE	**11**	**63**	**63**	---
Headquarters	3	3	3	---
U.S. Field	8	60	60	---
Foreign Field	---	---	---	---
Total Permanent Positions	**11**	**63**	**63**	---
Average ES Salary	$ ---	$ ---	$ ---	$ ---
Average GS Salary	$ 39,039	$ 41,084	$ 42,151	$ 1,067
Average GS Grade	8.27	7.81	7.81	---

G. Capital Investment and Construction Initiative Listing

U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund

Not applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund
Funding Schedule
(Dollars in Thousands)

PPA: Breached Bond Detention Fund		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$ 689	$ 2,662	$ 2,680	$18
11.3	Other than perm	$ 100	$ 76	$ 79	3
11.5	Other per comp	$ 8,120	$ 4,063	$ 4,277	214
11.8	Spec Srvc Pay	$ 15	$ 11	$ 12	1
12.1	Benefits	$ 327	$ 891	$ 899	8
21.0	Travel	$ 564	$ 431	$ 445	14
22.0	Transportation of things	$ 3	$ 2	$ 2	---
23.1	GSA rent	$ 161	$ 339	$ 351	12
23.2	Other rent	$ 5	$ 4	$ 4	---
23.3	Communication, Utililities, and misc charges	$ 321	$ 29	$ 30	1
25.1	Advisory & Assistance Services	$ 1,337	$ 1,021	$ 1,056	35
25.2	Other Services	$ 19,735	$ 15,066	$ 15,585	519
25.3	Purchase from Govt. Accts.	$ 7,029	$ 5,366	$ 5,551	185
25.4	Operation & maintenance of facilities	$ 33,898	$ 25,238	$ 26,131	893
25.7	Operation & maintenance of equipment	$ 8,005	$ 6,111	$ 6,322	211
25.8	Subsistence & Support of persons	$ 30,291	$ 23,127	$ 23,925	798
26.0	Supplies & materials	$ 2,730	$ 2,084	$ 2,156	72
31.0	Equipment	$ 627	$ 479	$ 495	16
Total, Breached Bond Detention Fund		**$113,957**	**$87,000**	**$90,000**	**$3,000**
Full Time Equivalents		11	63	63	---

PPA Mission Statement

The Breached Bond Detention Fund was authorized in Section 112 of the Department of Justice Appropriations Act of 1993 (P.L. 102-395). The Act amended Section 286 of the Immigration and Nationality Act (INA) of 1952, as amended, by establishing, in the General Fund of the Treasury, a separate account to be called the Breached Bond/Detention Fund. The first $8,000,000 in breached cash and surety bonds collected goes to the General Fund of the U.S. Treasury. All collections in excess of $8,000,000 posted under the INA, which are recovered by the Department of Justice, are deposited as offsetting collections into this fund. Amounts deposited into the fund, which remain available until expended, can be used for expenses incurred in the collection of breached bonds, bond management, litigation activities to obtain compliance from surety companies found to be delinquent in meeting their obligations, and for expenses associated with the detention of criminal and illegal aliens.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$9,251**	**$7,703**	**$7,947**	**$244**

Salaries and Benefits includes costs for 63 FTEs. The FY 2007 request includes an increase of $244,000 in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$564**	**$431**	**$445**	**$14**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $14,000 in additional collections.

	2005 Actual	2006 Revised Enactec	2007 Request	2006 - 2007 Change
Transportation of Things	**$3**	**$2**	**$2**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes no increase.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$161**	**$339**	**$351**	**$12**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $12,000 in additional collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$321**	**$29**	**$30**	**$1**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $1,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$1,337**	**$1,021**	**$1,056**	**$35**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $35,000 in additional collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$19,735**	**$15,066**	**$15,585**	**$519**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $519,000 in additional collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$7,029**	**$5,366**	**$5,551**	**$185**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $185,000 additional collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$33,898**	**$25,238**	**$26,131**	**$893**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $893,000 in collections for maintenance of detention facilities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$8,005**	**$6,111**	**$6,322**	**$211**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $211,000 in collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$30,291**	**$23,127**	**$23,925**	**$798**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $798,000 in collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$2,730**	**$2,084**	**$2,156**	**$72**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $72,000 in collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$627**	**$479**	**$495**	**$16**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $16,000 in collections.

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Breached Bond Detention Fund

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
DRO - Custody Management	---	$30	$30	---
Total Working Capital Fund	**---**	**$30**	**$30**	**---**

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Department of Homeland Security

U.S. Immigration and Customs Enforcement

Immigration Inspection User Fees

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees

I. Appropriation Overview

The Immigration User Fee account was established as a repository for fees collected from arriving airline passenger for immigration inspection and fines imposed to prevent unauthorized landing and unlawful bringing of aliens into the United States, penalties for document fraud, and liquidated damages and expenses collected. The fees cover the cost of providing detention and removal services for inadmissible aliens arriving on commercial aircraft and vessels and for any inadmissible alien who has attempted illegal entry into the United States through avoidance of immigration inspection at air or sea ports-of-entry. All deposits into the Immigration User Fee account are available until expended.

B. Budget Activities:
Not Applicable

C. Budget Request Summary:

ICE requests 276 positions, 276 FTE, and $108,000,000 for FY 2007. The total adjustments-to-base is 0 FTE and $8,000,000 and represents increased fee collections.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Immigration Inspection User Fees	183	$91,789	276	$100,000	276	$108,000		$8,000	---	---	---	$8,000
Subtotal, Enacted Appropriations and Budget Estimates	**183**	**$91,789**	**276**	**$100,000**	**276**	**$108,000**	**---**	**$8,000**	**---**	**---**	**---**	**$8,000**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**183**	**$91,789**	**276**	**$100,000**	**276**	**$108,000**	**---**	**$8,000**	**---**	**---**	**---**	**$8,000**

The table reflects actual obligations of ICE's share of the Immmigration User Fee account. The budget authority reported in MAX included $9.2 million in balances.

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
Program Performance Justification
(Dollars in thousands)

PPA: Immigration Inspection User Fees

	Perm Pos	FTE	Amount
2005 Actual	**187**	**183**	**$91,789**
2006 Enacted	**276**	**276**	**100,000**
2007 Adjustments-to-Base	...	...	8,000
2007 Current Services	**276**	**276**	**108,000**
2007 Program Change	...	...	...
2007 Request	**276**	**276**	**108,000**
Total Change 2006-2007	....	...	8,000

This fee supports ICE and U.S. Customs and Border Protection (CBP). Of this total, ICE's portion will be $108 million (17% of the fees are allocated to ICE and 83% to CBP). This is an increase of $8 million over 2006 for ICE.

DHS estimates that the total Immigration User Fee level for FY 2006 will be $603 million. Based on International Air Transport Association (IATA) and Federal Aviation Administration's (FAA) growth rates for FY 2007 of 6.3% for international passengers, additional fees are estimated to total $34 million in FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Immigration User Fee account was established as a repository for fees collected from arriving airline passengers for immigration inspection and fines imposed to prevent unauthorized landing and unlawful bringing of aliens into the United States, penalties for document fraud, and liquidated damages and expenses collected. The fees cover the cost of providing detention and removal services for inadmissible aliens arriving on commercial aircraft and vessels and for any inadmissible alien who has attempted illegal entry into the United States through avoidance of immigration inspection at air or sea ports-of-entry. All deposits into the Immigration User Fee account are available until expended.

The Immigration Inspection User Fee account supported 1,974 beds in FY 2005. Anticipated fee collections will support approximately 2,000 beds in FY 2006. Resources will also support 276 staff in FY 2006 and 2007.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Justification of Proposed Changes in Immigration Inspection User Fees
Appropriation Language

Not applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**187**	**183**	**$ 91,789**
2006 Revised Enacted	**276**	**276**	**100,000**
Adjustments-to-Base			
Increases			
Increase/Decrease in Collections			8,000
Total Increases	---	---	8,000
Total Adjustments-to-Base	---	---	**8,000**
2007 Current Services	**276**	**276**	**108,000**
2007 Request	**276**	**276**	**108,000**
2006 to 2007 Total Change	---	---	**8,000**

C. Summary of Requirements

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	**FTE**	**Amount**
2005 Actual	**187**	**183**	**91,789**
2006 Revised Enacted	**276**	**276**	**100,000**
Adjustments-to-Base			
Increase/Decrease in Collections	-	-	8,000
Total Adjustments-to-Base	-	-	8,000
2007 Current Services	**276**	**276**	**108,000**
2007 Total Request	**276**	**276**	**108,000**
2006 to 2007 Total Change	-	-	8,000

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Immigration Inspection User Fee	276	276	100,000	-	-	8,000	-	-	-	276	276	108,000	-	-	8,000
Total	**276**	**276**	**100,000**	**-**	**-**	**8,000**	**-**	**-**	**-**	**276**	**276**	**108,000**	**-**	**-**	**8,000**

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D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$11,358	$16,006	$16,996	$990
11.3 Other than full-time permanent	$302	$329	$355	26
11.5 Other Personnel Compensation	$3,642	$336	$653	317
12.1 Benefits	$5,594	$7,294	$7,782	488
Total, Personnel Comp. & Benefits	**$20,896**	**$23,965**	**$25,786**	**$1,821**
Other Object Classes:				
21.0 Travel	4	4	5	1
22.0 Transportation of things	13	14	15	1
23.1 GSA rent	5,432	5,918	6,391	473
23.3 Communications, utilities, & other misc. charges	33	36	39	3
25.1 Advisory and assistance services	944	1,028	1,111	83
25.2 Other services	8,597	9,366	10,115	749
25.3 Purchases of goods & svcs. from Gov't accounts	386	421	454	33
25.4 Operation & maintenance of facilities	26,338	27,494	29,790	2,296
25.8 Subsistence and support of persons	28,307	30,840	33,307	2,467
26.0 Supplies and materials	818	891	962	71
31.0 Equipment	21	23	25	2
91.0 Unvouchered	---	---	---	---
Total, Other Object Classes	**$70,893**	**$76,035**	**$82,214**	**$6,179**
Total, Direct Obligations	**$91,789**	**$100,000**	**$108,000**	**$8,000**
Unobligated balance, start of year	(1,622)	(15,828)	(15,828)	
Unobligated balance, end of year	15,825	15,828	15,828	
Recoveries of prior year obligations	5,355			
Total requirements	**$111,347**	**$100,000**	**$108,000**	

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
GS-14	3	3	3	---
GS-13	5	5	5	---
GS-12	9	9	9	---
GS-11	3	3	3	---
GS-9	67	67	67	---
GS-7	84	84	84	---
GS-5	105	105	105	---
Total Permanent Positions	**276**	**276**	**276**	---
Unfilled Positions EOY	89	---	---	---
Total Perm. Employment EOY	187	276	276	---
FTE	**183**	**276**	**276**	---
Headquarters	6	12	12	---
U.S. Field	179	264	264	---
Foreign Field	2	---	---	---
Total Permanent Positions	**187**	**276**	**276**	---
Average ES Salary	$ ---	$ ---	$ ---	$ ---
Average GS Salary	$ 55,522	$ 39,050	$ 40,065	$ 1,015
Average GS Grade	10.03	7.12	7.12	---

G. Capital Investment and Construction Initiative Listing

U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees

Not applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
Funding Schedule
(Dollars in Thousands)

PPA: Immigration User Fees		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$11,358	$16,006	$16,996	$990
11.3	Other than perm	302	329	355	26
11.5	Other per comp	3,642	336	653	317
12.1	Benefits	5,594	7,294	7,782	488
21.0	Travel	4	4	5	1
22.0	Transportation of things	13	14	15	1
23.1	GSA rent	5,432	5,918	6,391	473
23.3	Communication, Utililities, and misc charges	33	36	39	3
25.1	Advisory & Assistance Services	944	1,028	1,111	83
25.2	Other Services	8,597	9,366	10,115	749
25.3	Purchase from Govt. Accts.	386	421	454	33
25.4	Operation & maintenance of facilities	26,338	27,494	29,790	2,296
25.8	Subsistence & Support of persons	28,307	30,840	33,307	2,467
26.0	Supplies & materials	818	891	962	71
31.0	Equipment	21	23	25	2
Total, Immigration User Fees		**$91,789**	**$100,000**	**$108,000**	**$8,000**
Full Time Equivalents		183	276	276	---

PPA Mission Statement

The Immigration User Fee account was established as a repository for fees collected from arriving airline passengers for immigration inspection and fines imposed to prevent unauthorized landing and unlawful bringing of aliens into the United States, penalties for document fraud, and liquidated damages and expenses collected. The fees cover the cost of providing detention and removal services for inadmissible aliens arriving on commercial aircraft and vessels and for any inadmissible alien who has attempted illegal entry into the United States through avoidance of immigration inspection at air or sea ports-of-entry. All deposits into the Immigration User Fee account are available until expended.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$20,896**	**$23,965**	**$25,786**	**$1,821**

Salaries and Benefits includes costs for 276 FTEs. The FY 2007 request includes an increase of $1,821,000 in personnel compensation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$4	$4	$5	$1

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$13	$14	$15	$1

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
GSA rent	$5,432	$5,918	$6,391	$473

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $473,000.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	$33	$36	$39	$3

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $3,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$944	$1,028	$1,111	$83

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $83,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$8,597	$9,366	$10,115	$749

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $749,000 due to increased collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$386	$421	$454	$33

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $33,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$26,338**	**$27,494**	**$29,790**	**$2,296**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $2,296,000 due to increased collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$28,307**	**$30,840**	**$33,307**	**$2,467**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $2,467,000 due to increased collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$818**	**$891**	**$962**	**$71**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $71,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$21**	**$23**	**$25**	**$2**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $2,000 in non-pay inflation.

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Immigration and Customs Enforcement
Immigration Inspection User Fees
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Investigations Operations - Domestic	---	87	87	---
Investigations Operations - International	---	11	11	---
DRO - Custody Management	---	403	403	---
Total Working Capital Fund	**$0**	**$501**	**$501**	**$0**

Department of Homeland Security

U.S. Immigration and Customs Enforcement

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

U.S. Immigration and Customs Enforcement

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STRATEGIC CONTEXT FOR THE FY 2007 BUDGET

U.S. Immigration and Customs Enforcement

A. Mission and Description

The U.S. Immigration and Customs Enforcement (ICE) is the largest investigative bureau within the Department of Homeland Security (DHS). ICE's mission is to protect America and uphold public safety by targeting the people, money and materials that support terrorist and criminal activities. All ICE employees are actively engaged in one or more aspects of this mission. ICE has legal authorities to investigate immigration, customs, and building security to combat terrorists, criminal aliens, domestic gangs, and organized criminal activities that are intended to do harm to the infrastructure, federal monuments, and/or inhabitants within the United States.

ICE employs approximately 15,000 Federal law enforcement officers and civil servants who are situated throughout the United States and overseas. ICE Headquarters ICE is located in Washington, D.C. ICE's personnel resources are primarily GS-0080 Security Officers, GS-0083 Police Officers, GS-0905 Attorneys, GS-1801 Deportation Officers, GS-1801 Detention and Deportation Officers, GS-1801 Immigration Enforcement Agents, GS-1801 General Investigators, and GS-1811 Criminal Investigators.

ICE's three enforcement operations are:

Office of Detention and Removal Operations (DRO) - DRO processes, detains, and schedules hearings for Criminal aliens, aliens residing illegally in the United States, and non-immigrants apprehended for infraction of immigration laws (including administrative violations). DRO is also responsible for the safe and humane treatment of detained aliens while in ICE custody and is responsible for maintaining control of aliens released from custody pending appearance for immigration proceedings. DRO is currently organized into 23 Field Offices plus staff at the ICE Academy and ICE Headquarters. Approximately 2,900 law enforcement personnel conduct investigations, detain, process and remove criminal aliens.

DRO manages the detention of aliens. DRO purchases detention space through several mechanisms. ICE owns and operates eight Service Processing Centers with the capacity of detaining an average of 6,000 aliens a day, as well an additional 1,800 aliens in two facilities that ICE shares with the Bureau of Prisons. Through agreements with other detention facilities, ICE contracts 4,600 beds for alien detention. Working with the Office of the Detention Trustee, DRO manages a system of inter-governmental service agreements capital assets including a fleet of law enforcement equipped vehicles used for routine enforcement activity and apprehension, a fleet of buses and vans to transport detained aliens within and out of the country, an infrastructure of office facilities, and investigative equipment and technology.

In addition, DRO manages the ICE Fugitive Operations program. Through this program, DRO locates and captures aliens who have violated conditions of release and subsequently absconded. The FY 2007 request funds an increase of 18 Fugitive Operations teams, bringing the total number of teams to 70. As of January 2006, there were approximately 558,000 alien absconders. In 2007, DRO plans to oversee the ICE Criminal Alien Program (CAP) in the states of New York, Alaska and the majority of the state of California. By identifying criminal aliens presently incarcerated in federal, state and local jails and initiating the removal process, the CAP ensures that criminal aliens are removed from the United States immediately upon their release; thereby preventing their release back into U.S. communities.

Office of Investigations (OI)—OI enforces immigration and customs laws through the investigation of activities, persons and events that may pose a threat to U.S. safety and security. In particular, OI investigates immigration law, illegal trafficking in weapons, including Weapons of Mass Effect, nuclear/biological/chemical/radiological agents, narcotics and contraband smuggling, human smuggling and trafficking, money laundering and other financial crimes, fraudulent trade practices and IPR violations, child pornography, and child sex tourism. OI is currently organized into 26 domestic areas of responsibilities and 50 foreign offices. About 5,700 criminal investigators conduct investigative operations.

Federal Protective Service (FPS) - FPS protects and secures federal buildings and personnel across the nation. FPS operations focus on law enforcement and reduction of federal facility vulnerabilities to criminal and terrorist threats, while ensuring that public facilities are safe, secure and remain available as a vital part of daily American life. FPS uses approximately 15,000 contract security guards and 1,100 law enforcement officers who are strategically located throughout the nation to provide comprehensive security and law enforcement coverage to all GSA-owned-and-operated federal facilities. FPS currently performs all necessary security and law enforcement functions at approximately 9,000 federally owned and leased locations throughout the nation.

B. Major Activities and Key Strategic Issues

ICE uses its immigration, customs, and security authorities to:

1) prevent the unlawful movement of people, money and materials across the borders of the United States;
2) use the unique access to customs and immigration information to respond to threats and address vulnerabilities;
3) secure the homeland by expeditiously removing terrorists and other threats to public safety; and
4) secure federal properties, key assets, and events of national interest from terrorist and criminal attacks.

Key Strategic Issues:
The Secure Border Initiative (SBI) is a comprehensive approach to immigration enforcement. The SBI focuses on two major enforcement themes, controlling the border and immigration enforcement within the United States. Border control means gaining full operational control of our borders, so we can prevent illegal immigration as well as security breaches. Enforcement inside the United States will eliminate vulnerabilities in the legal immigration process through

aggressive enforcement of immigration enforcement, resulting in the criminal prosecution of those that would violate the law, and removing those aliens who are present in the United States in violation of our laws. Full enforcement of immigration enforcement is tied to the President's proposal for a temporary worker program, which will ensure the availability of a legal work force, while eliminating the unlawful employment of unauthorized aliens.

It is also intended to help the Secretary ensure the most effective management of these resources through strategic planning and strong oversight of border security activities.

The SBI is a multi-year plan created to reduce illegal immigration into the United States via enhanced border security as well as enhanced interior immigration enforcement. Part I of SBI is enhanced border security. In particular, it includes resource enhancements for Detention and Removal Operations (DRO) for bed space, personnel and transportation costs.

Part II of the SBI will target interior enforcement. It includes enhancements to programs associated with interior immigration enforcement. In addition to those resource enhancements, SBI will work to improve efficiencies in current immigration efforts.

ICE will strengthen its efforts to combat document fraud, improve visa compliance, improve cooperation with state and local law enforcement, and improve the enforcement of immigration law at the worksite to ensure that employers who violate the law are punished.
Currently, as Customs and Border Protection continues to make it more and more difficult to enter the United States illegally, individuals are turning to any means available to enter the United States and resorting to human smuggling at the risk of life and loss of money, and possibly being subjected to trafficking, servitude and sexual abuse. Still others who enter legally overstay beyond the time period permitted and remain in the United States in violation of the terms of their visas. Individuals, such as those involved in the 9/11 terrorist attacks, exploit weaknesses in the visa process and other document processes (e.g., driver's licenses, employment applications, social security documents, school registration, etc.). Social reforms, new technological developments, and economic principles of supply and demand result in more elaborate schemes to circumvent regulations and provide opportunities for financing illegal gain and even terrorist activities. Increases in cigarette taxes have created incentives for criminal organizations to smuggle cigarettes into the United States, resulting in lost tax revenues and undermining national health policy objectives. These illicit revenues have the potential to become sources for funding terrorism. Economic losses associated with violations of intellectual property rights laws overseas have grown exponentially as technology advances. And the counterfeiting of pharmaceuticals and food items pose increasing risks to public safety.

The trend of ICE investigative cases shows that criminal and terrorist organizations are exploiting the vulnerabilities of the customs and immigrations processes to obtain revenue and are using domestic financial networks to launder monies to support and sustain their operations.

Increased access to, and the quality of, fraudulent documents are facilitating the illegal receipt of immigration benefits and the employment of unauthorized workers within critical industries. The employment of undocumented aliens by U. S. employers jeopardizes the integrity of the immigration process and increases risk of sabotage, foreign conspiracy, espionage and related

terrorist activity. While undocumented aliens may seek employment without the intention of doing harm, the risk of exposure for immigration violation can be exploited to coherce unlawful behavior or activity. The proposed TWP would provide a legal channel for workers and employers.

Extremely rapid advances in electronic communication and accessibility have also created vulnerabilities that threaten the protection and safety of children. Since 2002, advancements and the use of peer to peer networks, for example, have resulted in significant and alarming increases in access to child pornography.

Major Activities:
The Secure Border Initiative (SBI) will focus on border security and interior enforcement. Detention ensures the physical custody of aliens pending completion of the immigration process to remove them from the United States. Beds are required to keep pace with the volume of aliens apprehended and to keep the aliens in custody for the lawful duration or until the successful completion of the removal process - whichever occurs first.

In an effort to reduce the length of time an alien is in immigration removal proceedings, Expedited Removal (ER) proceedings allow the U.S. government to remove illegal aliens from the United States in lieu of conducting a hearing before an immigration judge. To date, implementation of ER of illegal aliens apprehended along the Southwest border has served as a deterrent. By expanding ER to the Northern Border, continued success is expected in 2006.

ICE will strengthen its efforts to combat document fraud, improve visa compliance, improve cooperation with state and local law enforcement and monitor the worksite to ensure that employers who violate the law are punished. Employers who hire unauthorized workers currently face few consequences. Fines for violations of the employer sanction provisions of the Immigration Nationality Act (INA) are seen as a cost of doing business.

Enforcing immigration laws away from the border is a complex challenge which will be addressed by SBI. Today, an alien who is in the United States without permission has little difficulty blending into our diverse and welcoming society or finding work in our vibrant economy. Investigators cannot track down all illegal immigrants, and even those they catch often find loopholes and delays in an overcrowded immigration hearing process. As the threat of punishment has diminished, immigrants and employers alike have become less concerned about compliance with immigration laws. As tolerance grows for illegal workers, an infrastructure of support has developed, and it has become easier for more immigrants to enter and find work outside the law. The principal objective of the interior enforcement strategy, therefore, is to reverse this cycle – to end the tolerance of illegal employment and illegal immigration. The principal focus of this strategy is eliminating the magnet that draws immigrants across the border – by drying up the sources of employment in both legitimate and illegitimate sectors.

Through the Cornerstone program, ICE assists domestic financial and trade communities to identify and eliminate problems that may be exploited by terrorist and criminal organizations to earn, move or store illicit proceeds.

ICE identifies individuals and groups linked to national security threats by employing a methodology to leverage access to information to identify individuals who pose potential threats, connect any associates with those individuals, and take appropriate enforcement action to prevent and disrupt terrorist activity. The Front Line approach systematically: (1) analyzes travel, immigration and financial data; (2) reviews current intelligence and investigative threat reporting; (3) utilizes sources of information; and (4) applies cutting-edge analytical tools to generate timely investigative leads. This approach provides ICE with the ability to proactively identify and address potential national security vulnerabilities while maintaining the flexibility to adjust to rapidly changing threat environments.

With the help of new technology, up-to-the-minute sources of information, and broad-based outreach programs, ICE's Law Enforcement Support Center (LESC) and Forensic Document Laboratory (FDL) provide critical nforcement information and assistance to the law enforcement community. The LESC provides timely and accurate information to law enforcement officers on the immigration status and identity of individuals who have been arrested or are under investigation for criminal activity. The FDL provides training and technical support in the detection of fraudulent travel and identity documents. Additionally, the FDL fosters working partnerships with other federal, state and local agencies as well as foreign governments to combat document fraud through information sharing.

To protect the homeland, ICE pursues both effective and efficient ways to enforce immigration and customs compliance – directing resources toward activities and special interests that present the greatest threat to security. Intelligence and access to data and cooperation and coordination with federal, state and local officials contributes to more effective intelligence. Detention is the most effective way to ensure compliance with the removal process but it is also very costly. ICE has worked to decrease the cost of detention space by working with the Office of Federal Detention Trustee. In addition, ICE has created a program, Intensive Supervision Appearance Program, which combines intensive supervision and electronic monitoring to improve removal rates among the non-detained population. This program has had preliminary success in improving removal rates and ICE will explore the expansion of this program. Procedural efficiencies (e.g., activity-based costing) in the removal process help to reduce and streamline the removal process, while safeguarding the rights of aliens.

Consistent with government-wide security procedures and guidelines issued by the Interagency Security Committee, ICE ensures the security of Federal facilities, employees, and visitors. ICE provides protective details and logistical support at National Security and other sensitive public events.

Detention and Removals Operations (DRO) – In FY 2006, DRO received:

- $1,450.3 million in the Detention and Removal group of five budget activities within the Salaries and Expenses appropriation,
- $147.0 million for Legal Proceedings
- $15.5 million in the Automation Modernization appropriation,
- $26.3 million in Construction appropriation,
- $87.0 million in Breached Bond Detention Fund account, and

- $88.0 million in the Immigration User Fee account,

for a total of $1,814.5 million overall. Funds will provide custody management (including bed space) in support of alien removals, facilitate the processing of illegal aliens through the immigration court, and to effect removal from the United States. Key priorities are the expanded use of expedited removal in support of the Secure Border Initiative (SBI) and continued growth in fugitive operations and the criminal alien program including the Institutional Removal Program (IRP). These activities identify and remove all high-risk illegal alien absconders, expeditiously removing identified alien criminals, and managing a robust removals program with the capacity to keep pace with the volume of annual final orders of removal.

Strategic issues and major challenges for DRO include: keeping pace with the growth of the fugitive alien population, achieving a balance between detained and non-detained by implementing alternatives to detention, the growth of the detention and removal requirements to keep pace with all other enforcement efforts and the increasing diversity of the detention population (e.g., race, gender, age, criminal/non-criminal).

The continued expansion of the fugitive operations program will present a deterrent to aliens who violate orders of removal. The performance target for each fugitive operations team is 1,000 apprehensions annually. Because of the time required to hire and train personnel, the additional teams funded for FY 2006 should reach full productivity in FY 2007. Funds received in FY 2006 will enhance resources to alternatives to detention, thereby increasing appearance rates at immigration proceedings. This approach allows DRO to better utilize bed space, resources, and manpower while providing a more appropriate means of supervision for aliens who do not require a secure detention setting. With the enhancement requested for FY 2007, DRO will increase detention capacity through additional beds that will provide the ability to detain a greater number of persons apprehended in support of the expanded use of expedited removal and the Secure Border Initiative and provide greater control over the alien population that is in immigration proceedings or awaiting removal.

Accomplishments/Planned Accomplishments:
FY 2005: Enforcement efforts in FY 2005 resulted in the removal of over 166,838 aliens. The 16 fully staffed and two partially staffed Fugitive Operations teams apprehended over 15,208 aliens; of these 11,198 were fugitive aliens. In addition, more than 4,010 aliens in violation of immigration law were apprehended along with the fugitive aliens, 270 aliens apprehended were sexual predators, and 10,469 aliens that were apprehended by Fugitive Operations teams were removed. The alternative to detention program started as a small pilot program in FY 2005 and while it only had a population of 2,400 aliens, the rate of appearance for immigration court proceedings was about 94%. The Criminal Alien Program (CAP) interviewed over 5,000 criminals and processed detention documents on over 3,200 of them. The CAP process will allow ICE DRO to begin or continue immigration proceedings on criminal aliens currently incarcerated in federal, state or local facilities. The end result should be the removal of these aliens at the completion of their incarceration, thereby limiting or eliminating the need for DRO to detain the aliens upon their release.

FY 2006: DRO will expand staffing in addition to detention and removal capabilities in order to eliminate "catch and release" through expedited removal. DRO expects to: reduce the 40,000 per year growth rate of the fugitive population by twenty-five percent from the FY 2006 level of 558,000; continue the expansion of CAP at existing facilities in the City of New York and the states of Alaska and California; and continue and expand the alternatives to detention program and thus increase the appearance rate of aliens at immigration proceedings. A robust and multi-faceted detention and removal program increases public safety and national security through the timely interdiction and removal of criminal aliens and those aliens that violate immigration law.

FY 2007: DRO will expand staffing in addition to detention and removal capabilities in order to eliminate "catch and release" through expedited removal. DRO proposes to: reduce the growth rate of the fugitive population by fifty percent from the FY 2006 level of 558,000; continue the expansion of CAP to the states of Alaska, California and New York, as well as select locations in Arizona and Texas; and pursue efforts associated with the alternatives to detention program to move it from a pilot project to the early identification and placement in immigration proceedings of criminal aliens incarcerated in federal, state or local facilities will minimize the need for DRO detention and should increase the ability to remove these aliens upon their release from incarceration, thereby lowering the growth of the fugitive population and ensuring aliens have full recourse of law during proceedings.

Office of Investigations (OI) - In FY 2006, OI received:

- $1,434.1 million in the Investigations group of two budget activities within the Salaries and Expenses appropriation,
- $58.6 million in the Intelligence budget activity within the Salaries and Expenses appropriation,
- $24.2 million in the Automation Modernization appropriation,
- $49.0 million in the Student Exchange Visitor Program account, and
- $12.0 million in the Immigration User Fee account,

for a total of $1,577.9 million overall. Funds will be used to pursue investigations into a broad array of law enforcement, public safety, and national security issues, including illegal imports and exports (components and precursors to weapons of mass destruction, munitions and restricted technologies), financial crimes, commercial fraud, human smuggling and trafficking, narcotics smuggling, child pornography/exploitation, and immigration fraud. This funding includes enhancements to expand targeted investigative and forensic audit efforts in worksite enforcement and to expand other areas of immigration enforcement in support of the SBI; to expand the Visa Security Program in compliance with Section 428 of the Homeland Security Act of 2002; to expand the computer forensic infrastructure of the Cyber Crimes Center; to increase staffing for the Forced Child Labor effort overseas; and to speed the entry of immigration enforcement information into the National Criminal Information Center database.

Strategic issues and major challenges evolve around integrating its enforcement authorities to uncover and eliminate vulnerabilities that harm our citizens, national security, and the economy. Through Worksite Enforcement's Critical Infrastructure Protection ongoing initiatives, ICE will continue aggressive enforcement activities against egregious employers of unauthorized workers,

thereby promoting a healthier economy. Through an array of investigative processes in the areas of smuggling and public safety, finance and trade, and national security, Investigations works to identify the people, materials, and funding essential to sustaining terrorist threats and criminal enterprises, and to disrupt and dismantle those operations.

Accomplishments/Planned Accomplishments

FY2005: Closed 11,001 criminal investigations, made 22,700 criminal arrests and 14,007 seizures, there were 13,420 indictments, 14,457 convictions; successfully conducted first joint Intellectual Property Rights (IPR) investigation by ICE agents and Chinese authorities (Internet sales of pirated motion picture DVDs) and, with FBI, first criminal enforcement action targeting individuals committing copyright infringement on peer-to-peer networks; conducted Textile Production Verification Team (TPVT) visits to 11 countries; expanded background investigation of foreign visa applicants in high threat country; in February, launched Operation Community Shield, which aims to disrupt and dismantle violent, transnational street gangs/ arrested over 1,400 gang members by end of fiscal year; conducted numerous successful worksite enforcement investigations focusing on critical infrastructure and national security; reached record $11 million civil settlement with Wal-Mart Stores, Inc., as result of traditional worksite investigation; arrested 27 human rights violators for criminal offenses and an additional 20 for removal proceedings; first two years of Operation Predator resulted in over 6,600 child predator arrests and more than 3,400 removals from the U.S.; participated in the Arizona Border Control Initiative (ABCI), yielding more than 1,700 defendants, seizure of over $11 million, and apprehension of over 610,000 illegal immigrants; coordinated Weapons of Mass Destruction (WMD)/ delivery system training at selected Special Agent in Charge (SAC) offices; provided training to Australia Group (38 countries trying to minimize the risk of exporting or transshipping chemical and biological weapons); developed/implemented "train-the-trainer" program for agents on accessing Student and Exchange Visitor Information System (SEVIS) and U.S.-VISIT information; arrested 978 visa violators from Compliance Enforcement efforts; expanded Threat Analysis Section's tactical analysis capabilities; conducted Bulk Cash Smuggling (BCS) and Unlicensed Money Transmitting Businesses training and Cornerstone outreach/training; implemented Black Market Peso Exchange (BMPE) initiative; began work to establish formal Trade Transparency Units (TTUs) with three South American countries; with Customs and Border Protection (CBP), conducted operations targeting in-bond smuggling and smuggling at Foreign Trade Zones and bonded facilities; conducted outreach to increase awareness of Forced Labor issues, Intellectual Property Rights program, and Cornerstone program; continued development of ICE Mutual Agreement between Government and Employers (IMAGE) initiative (part of overall enforcement strategy to address document fraud, human smuggling, and worksite compliance priorities through industry outreach and employer self-policing); in coordination with foreign governments, continued task force efforts to identify/investigate "politically exposed persons."

FY2006: Expand Visa Security Program; expand overseas efforts against Forced Child Labor; bolster worksite and other immigration enforcement programs; continue WMD training; conduct Project Shield America visits to manufacturers/distributors/exporters of dual-use/military technology; (Project Shield America is ICE's outreach program to increase public awareness of export controls by cooperating with private businesses in identifying suspicious transactions); and implement school recertification program; in support of state and local law enforcement

efforts to supplement Federal immigration law enforcement, provide training for the 287(g) program; implement initiative to eliminate systemic vulnerabilities in unlicensed Money Service Businesses (MSBs); create/chair interagency Bulk Cash Smuggling Working Group & conduct joint operations with U.S. Postal inspectors; pilot Bulk Cash Smuggling Unit as a stand alone Financial Investigations section, co-located at the LESC to complement the LESC and capitalize on their connectivity with the state and local law enforcement community continue implementation of BMPE initiative; create additional TTUs with interested foreign governments; continue Cornerstone's outreach/training for trade and financial business communities; target illegal importations of counterfeit cigarettes and unapproved/counterfeit/adulterated pharmaceuticals, & textile transshipments; conduct TPVT visits to 13 countries; conduct outreach to Maritime Shipping and Cruise Ship lines in an effort to prevent these methods of transportation from being used to smuggle contraband and humans into the U.S.; expand outreach/partnership with Non-Government Organizations (NGOs) and business entities to educate and identify trends and activities of targeted criminal organizations (The Justice Department's Office of Special Investigations partners with ICE on denaturalization investigations of naturalized U.S. citizens concerning human rights violators. Since these cases are often transnational in nature, ICE obtains overseas evidence in order to pursue criminal and/or administrative charges); expand investigations of identified human rights violators & their support networks; in coordination with foreign governments, continue task force efforts to identify/investigate "politically exposed persons"; expand the ability of the Cyber Crimes Center to provide additional data analysis, data archiving, disaster recovery, and advanced examinations within the digital evidence network; accelerate entry of immigration enforcement information into the National Crime Information Center (NCIC) database.

FY2007: In support of the SBI and other agency initiatives, the following specific efforts are planned. Expand, Worksite Enforcement, and Compliance Enforcement Programs; to increase investigations of critical infrastructure and of employers who attract significant numbers of illegal aliens and to increase CEU's ability to identify and arrest high risk visa violators who potentially pose a threat to national security and public safety, consistent with the SBI; improve coordination with DOS/DOD tracking terrorist travel programs; increase participation in Joint Terrorism Task Forces (JTTFs); continue MSB initiative; implement BCS enforcement strategy/training; expand BCS Unit at LESC; create additional Trade Transparency Units (TTU) with interested foreign governments; continue BMPE initiative; implement enforcement action against fraudulent trade schemes used by terrorists/other criminal organizations to support their illegal activities; conduct public awareness campaign regarding Intellectual Property Rights (IPR) crime; conduct TPVT visits to about 13 countries; continue Cornerstone's outreach/training for trade and financial business communities; expand activities to disrupt/eliminate violent gangs & the most significant contraband/human smuggling/transportation organizations; implement targeted investigations of criminal sources/support networks; improve implementation of asset forfeiture as related to organizations involved in identity and benefits fraud; continue targeted investigations of identified human rights violators/support networks; in coordination with foreign governments, expedite task force efforts to identify/investigate "politically exposed persons"; improve inquiry response time at LESC; continue to provide training for the 287(g) program.

Federal Protective Service (FPS) – The basic security and building security fees collections approved for FY 2006 are $487 million for FPS to provide law enforcement and security within Federal facilities nationwide. These funds allow FPS to maintain current services and staff, as well as maintain special response team initiatives, such as K-9 bomb detection teams, Weapons of Mass Destruction (WMD) first responder capability, improved equipment and technology, and increased intelligence sharing.

Key strategic issues and major challenges for FPS in FY 2006:

- FPS will continue to be the protection of Federal facilities and employees through a comprehensive law enforcement and security program.

The main objectives for enhancing the performance of FPS will focus on recruiting, training, and retaining a workforce that has the necessary skills and equipment to identify facility vulnerabilities and implement countermeasures to those vulnerabilities.

Accomplishments/Planned Accomplishments:
FY 2005: FPS sustained current countermeasures and security equipment for approximately 9,000 facilities to support the ICE mission by providing significant and appropriate law enforcement and security services. Over 1 million federal employees and visitors entering federal facilities were screened and 5,700 alarm accounts were monitored daily for intrusion detection, fire and personnel protection. In additions, FPS received 22,000 alarm activations and responded to 148 incidents on Federal property, one weapons and explosives incident, 11 demonstrations and disturbance incidents, eight accident related incidents and 18 fire related incidents.

FY 2006: FPS expects to improve strategic methods for identifying and reducing real and/or perceived threats faced by FPS customers. Improvements in intelligence and information sharing, hazardous materials response, special operations capabilities, protective services, and strengthened security standards represent the key elements for reducing threat and vulnerability levels at Federal facilities. Increased law enforcement presence and oversight, when combined with other countermeasures, maximizes the safety and security of the buildings, occupants, and visitors. A security index of one or greater reflects accomplishment of and/or exceeding the performance targets. A security index of less than one reflects failure to meet performance goals. FPS will meet or exceed its performance targets.

FY 2007: Specialized law enforcement skills and properly equipped officers will support FPS' goal to identify and prevent national security threats. New threats will require specialized technology training, tactics and equipment for FPS officers. FPS will maintain security systems through technology improvements and training with requested resources. FPS will support WMD, Hazardous Response, and K-9 Bomb Detection and establish a core capability to conduct force protection operations, including detection and identification of threat agents, extraction, decontamination, evacuation support, and limited mitigation.

C. Resources Requested and Performance Impact

Summary of FY 2007 Enhancements (dollars in thousands):

	Legal	DRO	OI	Intel	FPS	Total
Internal Controls	68	355	555	22		1,000
Procurement	244	1,276	1,999	81		3,600
Total ICE Enhancements	312	1,631	2,554	103	-	4,600

The Budget proposes to expand ICE programs as part of a Border Security Initiative (SBI) in FY 2007. Below is a summary table of enhancements requested for the SBI.

	Legal	DRO	OI	Total
Expedited Removal		386,690		386,690
Legal Proceedings	38,500			38,500
Fugitive Operations		60,000		60,000
Compliance			10,017	10,017
Worksite Enforcement			41,681	41,681
State and Local			4,326	4,326
Total Secure Border Initiative Enhancements	38,500	446,690	56,024	541,214

Detention and Removals Operations (DRO) – ICE requests $2.494.3 billion for Detention and Removal in FY 2007:

- $2,076.5 million in the Detention and Removal group of six budget activities within the Salaries and Expenses appropriation,
- $206.5 million for Legal Proceedings
- $0 million in the Automation Modernization appropriation,
- $26.3 million in Construction appropriation,
- $90.0 million in Breached Bond Detention Fund account, and
- $95.0 million in the Immigration User Fee account.

Detention and Removal Operations underwent OMB's Program Assessment Rating Tool (PART) for the FY 2005 Budget process. DRO received a rating of moderately effective resulting from a need to establish performance measures and collect reliable and accurate supporting data and a need to develop a cost model for detention and removal expenditures. To improve the performance of the program, DRO is working to complete the follow-up actions recommended in the PART assessment.

Type	Follow-up Action
Budgetary	The Budget proposes to expand the program's initiatives to improve performance in removing all removable aliens.
Performance	The Department will ensure collection of critical performance data for the program's new measures.
Performance	The Department will work to develop cost effectiveness measures for the program.

Budgetary

- Resources will be used in FY 2006 to apprehend, process, and remove more aliens. The budget provides more Fugitive Operations Teams, more bed space, and more Transportation and Removal resources. The new resources will enable ICE to remove more removable aliens.

Performance

- DRO is collecting performance data on how to measure improvement on: removal rates, the success of expedited removal in deterring illegal crossings and repeat crossing, how many criminal liens are successfully removed, and the increase in fugitive apprehensions. The data will be collected from the Executive Office of Immigration Reform (EOIR), DRO, and CBP databases. These sources will be used in the analysis and will provide the basis for evaluating program performance.

Performance

- The performance data and analysis will provide the basis for determining program effectiveness.

DRO resource data will be combined with performance data to develop measures of efficiency.

Office of Investigations (OI) – ICE requests $1.687 billion for Investigations in FY 2007:

- $1561.4 million in the Investigations group of two budget activities within the Salaries and Expenses appropriation,
- $57.9 million in the Intelligence group of two budget activities within the Salaries and Expenses appropriation,
- $0 million in the Automation Modernization appropriation,
- $54.3 million in the Student Exchange Visitor Program account and
- $13.0 million in the Immigration User Fee account.

In support of the SBI, more effective immigration and trade enforcement will contribute to enhanced homeland security as well as providing deterrence to terrorist and other criminals. Specific initiatives will include: expanding the Compliance and Worksite Enforcement programs, providing training to State and local law enforcement personnel under Section 287(g), and improving the Law Enforcement Support Center's response time to inquires from State and local law enforcement personnel.

Investigations' primary measure for performance is the percentage of investigations that have resulted in an enforcement consequence. Annual targets for this measure were developed in FY 2003, based on data drawn from several data-reporting sources. However, OI transitioned to a new consolidated data system in FY 2004, making FY 2005 the first complete year of collecting data in a uniform manner through the use of a single source. Data collected in FY 2005 serves as the baseline for purposes of setting annual targets that will incrementally increase the percentage of cases that have an enforcement consequence.

OI underwent OMB's PART for the FY 2006 Budget process. OI received a rating of adequate, with recommendations for the agency to develop stronger financial controls, to continue progress in instituting controls to hold managers accountable for performance results, to increase cooperation with other Federal agencies to synergize efforts, and to collect performance data. ICE is working to complete the follow-up actions recommended in the PART assessment.

Type	Follow-up Action
Budgetary	The 2006 Budget proposed $34 million in initiatives for the Visa Security Program, the Homeland Security Data Network, and increased worksite enforcement.
	The agency will develop stronger financial control of its resources and develop stronger internal control mechanisms to track the expenditure of funds.
Management	ICE's first permanent Chief Financial Officer (CFO) was appointed on January 9, 2006. The Office of the CFO has been reorganized to address weaknesses in ICE's financial management system. A 3-year Financial Action Plan has been developed to improve the agency's financial management; key objectives include identifying and strengthening internal controls over financial processes and improving the integrity, accuracy, and timeliness over ICE financial reporting.
	The agency will continue its progress in instituting controls to hold managers accountable for performance results.
Management	All managers and supervisors have been identified for MAX HR performance training to be held January-March 2006. MAX HR training for ICE senior executives is basically complete. Activity on labor and employee relations training awaits the outcome of legal actions.
	The agency will work to increase cooperation with other Federal law agencies in order to prevent conflicting investigations and to utilize all resources in common investigative goals.
Management	ICE has made improvements in this area since the PART evaluation in 2004. OI and CBP have developed joint memoranda regarding roles and responsibilities, joint operations, and other joint matters; there are many Special Agents assigned to FBI Joint Terrorism Task Forces (JTTFs) around the country; additionally, ICE has agents assigned, detailed, or serving as liaisons to other FBI organizations, the Department of Defense, CBP, CIS, components of the intelligence community, the Department of State, etc.; ICE, FBI, ATF, and DEA routinely participate in each other's gang enforcement operations; ICE also continues to work cooperatively with other agencies to achieve common investigative goals in areas such as OCDETF investigations, HIDTA initiatives, Integrated Border Enforcement Teams, and Ad Hoc Task Forces on major investigations and initiatives.
	The agency will ensure collection of critical performance data for the program's measures.
Management	ICE OI has completed the consolidation of legacy law enforcement data, with FY 2005 being the base year for performance measurement and outyear targets.

Federal Protective Service (FPS) – FPS requests $ 516.0 million for FY 2007. In FY 2007 FPS will provide basic law enforcement and security services to all federal agencies housed within GSA owned and leased facilities, as well as ongoing special response team initiatives such as: K-9 bomb detection teams, Weapons of Mass Destruction (WMD) first responder capability, improved equipment and technology, and enhanced intelligence sharing. The President's Budget will allow the FPS to continue identifying new vulnerabilities at Federal facilities and to recommend appropriate countermeasures to reduce these vulnerabilities. FY 2007 funding will support planning efforts to fulfill legislative requirements and DHS objectives for the FPS mission, such as providing law enforcement and security services to other Federal facilities outside of the current GSA managed inventory on a reimbursable basis.

The FPS is currently funded as an offsetting collection and is required to recover 100 percent of the costs to provide law enforcement and security services to federal facilities across the Nation. FPs receives no direct appropriations. Security fees and direct costs are collected from federal agencies housed in federal space and facilities protected by FPS through a process similar to that of the monthly General Services Administration (GSA) rent bill (security bill process).

The performance impact associated with the requested resources will allow for a 2% performance improvement with the Federal Facility Security Index measure. The Federal Facility Security Index quantifies the effectiveness in reducing threats and vulnerabilities to criminal and terrorist acts at Federal buildings by two percent.

D. How ICE Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

The following lists the performance goal(s) for each ICE program and identifies the specific DHS strategic goal(s) and objective(s) that each program supports:

Detention and Removals Operations (DRO) performance goal – To remove all removable aliens from the United States.

DRO's performance goal supports the following DHS goal and objective:
Goal 2: Prevention – Detect, deter and mitigate threats to our homeland.
Objective 2.2: Enforce trade and immigration laws.

Office of Investigations (OI) performance goal – Prevent the exploitation of systemic vulnerabilities in trade and immigration that allow foreign terrorists, other criminals, and their organizations to endanger the American people, property and infrastructure.

OI's performance goal supports the following DHS goal and objective:
Goal 2: Prevention – Detect, deter and mitigate threats to our homeland.
Objective 2.2: Enforce trade and immigration laws.

Federal Protective Services (FPS) performance goal - Provide law enforcement, criminal investigations, and physical security protection to reduce and respond to potential threats and

vulnerabilities to Federal properties thereby providing a safe, secure environment to Federal tenants and the visiting public in a cost-effective manner.

FPS' performance goal supports the following DHS goal and objective:

Goal 3 : Protection –Safeguard our people and their freedoms, critical infrastructure, property and economy of our Nation from acts of terrorism, natural disasters, or other emergencies.

Objective 3.1: Protect the public from acts of terrorism and other illegal activities.

Objective 3.2: Reduce infrastructure vulnerability from acts of terrorism.

Objective 3.5: Ensure the continuity of government operations and essential functions in the event of crisis or disaster.

E. Performance Based Budget Highlights by Program

Detention and Removal				
Performance Measure Objectives 2.2		2005	2006	2007
Main Measure: Number of aliens with a final order removed in a quarter/Number of final orders that become executable in the same quarter (demonstrated as a percent).	Target	Baseline	75%	81%
	Actual	75%		
Performance Measure Objectives 2.2		2005	2006	2007
Efficiency: Total DRO budget/number of final order removals	Target	Baseline	1,100	1,100
	Actual	1,000		
Performance Measure Objectives 2.2		2005	2006	2007
Number of completed removals (PART Performance Measure)	Target	Baseline	170,000	270,000
	Actual	166,838		
Performance Measure Objectives 2.2		2005	2006	2007
Removals as a percentage of (executable) final orders issued (PART Performance Measure) (FY05 Executable final orders may have been issued in previous FY but became executable in current FY)	Target	Baseline	75%	81%
	Actual	75%		
Performance Measure Objectives 2.2		2005	2006	2007
Efficiency: Appearance Rates for Immigration Hearings (PART Performance Measure)	Target	Baseline	44%	54%
	Actual	34%		
Performance Measure Objectives 2.2		2005	2006	2007
Efficiency: Appearance Rates for Removal (PART Performance Measure)	Target	Baseline	50.7%	66%
	Actual	50.7%		
		2005	2006	2007
Program: Detention and Removal	$ Thousands	$1,585,740	1,814,536	2,494,286
	FTE	4,798	6,086	6,937

Office of Investigations				
Performance Measure Objectives: 2.2		2005	2006	2007
Main Measure: Percent of closed investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty).	Target	Baseline	38.5%	39.0%
	Actual	37.9%		

Performance Measure Objectives: 2.2		2005	2006	2007
Efficiency: Percent of closed investigations which have an enforcement consequence (arrest, indictment, conviction, seizure, fine or penalty) (PART Performance Measure)	Target	Baseline	38.5%	39.0%
	Actual	37.9%		
		2005	2006	2007
Program: Office of Investigations	$ Thousands	$1,427,131	1,577,907	1,686,635
	FTE	7,845	8,393	8,863

Protection of Federal Assets-Federal Protective Service				
Performance Measure Objectives: 3.1 3.2 3.5		2005	2006	2007
Main Measure: Annual Reduction of Risk Factors for Federal facilities.	Target	>40%	N/A	N/A
	Actual	31.98%		
Note: FPS will no longer report on this measure				
Performance Measure Objectives: 3.1 3.2 3.5		2005	2006	2007
Main Measure: Facility Security Index	Target	Baseline	100%	100%
	Actual	92%		
Performance Measure Objectives: 3.2 3.1 3.5		2005	2006	2007
Efficiency: Reduce the average law enforcement officer response time by 50%.	Target	Baseline	41.96%	37.76%
	Actual	46.62%		
Performance Measure Objectives: 3.1 3.2 3.5		2005	2006	2007
Informational: Percentage of security costs covered in rent. (PART Performance Measure)	Target	95%	N/A	N/A
	Actual	94%		
Note: FPS will no longer report on this measure				

Performance Measure		2005	2006	2007
Informational: Customer Satisfaction Survey of Federal tenants (PART Performance Measure)	Target	85%	N/A	N/A
	Actual	80%		
		2005	2006	2007
Program: Federal Protective Service	$ Thousands	$436,414	487,000	516,011
Note: FPS will no longer report on this measure	FTE	1,367	1,438	1,438

The Office of Investigations and Detention and Removal dollars and FTEs include Management and Administration, Intelligence, Legal Proceedings and mandatory resources.

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
Budget Activity	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
SALARIES & EXPENSES												
Investigations	7,810	$ 1,383,547	8,253	$ 1,492,671	8,709	$ 1,619,326	456	$ 126,655	13	2,657	443	$ 123,998
DRO	4,617	$ 1,365,198	5,771	$ 1,597,743	6,622	$ 2,282,965	851	$ 685,222	7	1,943	844	$ 683,279
Subtotal S&E	**12,427**	**$ 2,748,745**	**14,024**	**$ 3,090,414**	**15,331**	**$ 3,902,291**	**1,307**	**$ 811,877**	**20**	**$ 4,600**	**1,287**	**$ 807,277**
FPS												
FPS	1,367	$ 436,414	1,438	$ 487,000	1,438	$ 516,011	-	$ 29,011		-	-	$ 29,011
AUTOMATION												
Investigations	-	$ 768	-	$ 24,237	-	$ -	-	$ (24,237)	-	-	-	$ -
DRO	-	$ 473	-	$ 15,512	-	$ -	-	$ (15,512)	-	-	-	$ -
CONSTRUCTION												
DRO	9	$ 25,338	9	$ 26,281	9	$ 26,281	-	$ -	-	$ -	-	$ -
Subtotal Discretionary	**13,803**	**$ 3,211,738**	**15,471**	**$ 3,643,444**	**16,778**	**$ 4,444,583**	**1,307**	**$ 801,139**	**20**	**$ 4,600**	**1,287**	**$ 836,288**
FEE ACCOUNTS												
Detention and Removal												
Breach Bond	11	$ 113,957	63	$ 87,000	63	$ 90,000	-	$ 3,000	-	$ -	-	$ 3,000
User Fee	161	$ 80,774	243	$ 88,000	243	$ 95,040	-	$ 7,040	-	$ -	-	$ 7,040
Office of Investigations												
SEVP	13	$ 31,802	107	$ 49,000	121	$ 54,349	14	$ 5,349	-	$ -	14	$ 5,349
User Fee	22	$ 11,015	33	$ 12,000	33	$ 12,960						
Subtotal Mandatory	**207**	**$ 237,548**	**446**	**$ 236,000**	**460**	**$ 252,349**	**14**	**$ 15,389**	**-**	**$ -**	**14**	**$ 15,389**
Total	**14,010**	**$ 3,449,286**	**15,917**	**$ 3,879,444**	**17,238**	**$ 4,696,932**	**1,321**	**$ 816,528**	**20**	**$ 4,600**	**1,301**	**$ 851,677**

Note: S&E amounts include the programs' shared costs of Management, Administration, and Information Technology.

These #s also include the PPAs of Intelligence and Legal Proceedings.

Department of Homeland Security

Transportation Security Administration

Fiscal Year 2007

Overview
Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Transportation Security Administration
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted[1]		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE[2]	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Aviation Security	48,989	$4,312,709	48,540	$4,581,412	48,520	$4,654,884	(20)	$73,472	---	$72,366	(20)	$1,106
Federal Air Marshal Service[3]	---	669,928	---	679,338	---	699,294	---	19,956	---	---	---	19,956
Surface Transportation Security	190	82,093	297	35,640	297	37,200	---	1,560	---	---	---	1,560
Transportation Threat Assessment & Credentialing[4]	---	---	111	113,246	118	128,801	7	15,555	---	---	7	15,555
Transportation Security Support[5]	1,494	730,449	1,415	505,378	1,445	527,283	30	21,905	30	7,500	---	14,405
Aviation Capital Security Fund	---	195,279	---	250,000	---	250,000	---	---	---	---	---	---
Alien Flight School (fees)	---	1,400	---	2,000	---	2,000	---	---	---	---	---	---
Subtotal, Enacted Appropriations & Budget Estimates	**50,673**	**$5,991,858**	**50,363**	**$6,167,014**	**50,380**	**$6,299,462**	**17**	**$132,448**	**30**	**$79,866**	**(13)**	**$52,582**
Less: Adjustments for Other Funding Sources												
Passenger Fees	---	(1,918,584)	---	(2,010,000)	---	(3,736,206)	---	(1,726,206)	---	(1,532,861)	---	(193,345)
Credentialing Fees	---	(4,168)	---	(39,000)	---	(74,101)	---	(35,101)	---	---	---	(35,101)
Alien Flight School (fees)	---	(1,818)	---	(2,000)	---	(2,000)	---	---	---	---	---	---
Less: Prior Year Rescissions	---	---	---	(5,500)	---	---	---	5,500	---	---	---	5,500
Net, Enacted Appropriations and Budget Estimates	**50,673**	**$4,067,288**	**50,363**	**$4,110,514**	**50,380**	**$2,487,155**	**17**	**($1,623,359)**	**30**	**($1,452,995)**	**(13)**	**($170,364)**

[1]FY 2006 Revised Enacted fees include adjustments to FY06 Enacted levels.
[2]Specific FTE amounts have been updated to delineate the latest available data. As a result, numbers may differ somewhat from those depicted in MAX.
[3]In FY 2005, Federal Air Marshals were included in Immigration and Customs Enforcement budget.
[4]In FY 2005, Transportation Threat Assessment and Credentialing (TTAC) part of Aviation Security Appropriation. In FY 2006 and beyond, TTAC a separate appropriation.
[5]The FY 2005 actual amount includes Intelligence Appropriation and Research & Development (R&D) Appropriation data.
In FY 2006, Intelligence became part of the Transportation Security Support Appropriation, and R&D was transferred to the Office of Science and Technology, DHS.

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
Transportation Security Administration
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted[1]						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
I. AVIATION SECURITY	**50,725**	**4,323,523**	**---**	**---**	**50,725**	**4,323,523**	**48,540**	**4,581,412**	**---**	**---**	**48,540**	**4,581,412**	**48,520**	**4,654,884**	**---**	**---**	**48,520**	**4,654,884**
1. Screening Partnership Program [*Privatized Screening*]	---	129,654	---	---	---	129,654	---	138,868	---	---	---	138,868	---	148,600	---	---	---	148,600
2. Passenger TSO PC&B [*Passenger Screener - PC&B*]	29,113	1,445,486	---	---	29,113	1,445,486	28,448	1,511,393	---	---	28,448	1,511,393	28,426	1,556,226	---	---	28,426	1,556,226
3. Baggage TSO PC&B [*Baggage Screener - PC&B*]	17,097	848,860	---	---	17,097	848,860	16,708	879,027	---	---	16,708	879,027	16,695	913,974	---	---	16,695	913,974
4. TSO Training [*Screener Training*]	---	---	---	---	---	---	---	87,509	---	---	---	87,509	---	88,000	---	---	---	88,000
5. Passenger TSO - Other [*Passenger Screener - Other*]	---	140,614	---	---	---	140,614	---	23,618	---	---	---	23,618	---	23,352	---	---	---	23,352
6. Baggage TSO - Other [*Baggage Screener - Other*]	---	203,660	---	---	---	203,660	---	134,036	---	---	---	134,036	---	133,114	---	---	---	133,114
7. Human Resource Services	---	150,000	---	---	---	150,000	---	206,068	---	---	---	206,068	---	207,234	---	---	---	207,234
8. Checkpoint Support	---	123,500	---	---	---	123,500	---	164,072	---	---	---	164,072	---	173,366	---	---	---	173,366
9. EDS/ETD Purchase	---	180,000	---	---	---	180,000	---	174,016	---	---	---	174,016	---	91,000	---	---	---	91,000
10. EDS/ETD Installation	---	45,000	---	---	---	45,000	---	44,747	---	---	---	44,747	---	94,000	---	---	---	94,000
11. EDS/ETD Maintenance and Utilities	---	174,940	---	---	---	174,940	---	198,875	---	---	---	198,875	---	234,000	---	---	---	234,000
12. Operation Integration	---	---	---	---	---	---	14	22,871	---	---	14	22,871	14	23,000	---	---	14	23,000
13. Aviation Regulation and Other Enforcement	1,210	230,000	---	---	1,210	230,000	999	221,365	---	---	999	221,365	975	217,516	---	---	975	217,516
14. Airport Management, IT and Support	3,000	526,890	---	---	3,000	526,890	2,085	682,173	---	---	2,085	682,173	2,085	666,032	---	---	2,085	666,032
15. Federal Flight Deck Officer and Flight Crew Training	25	25,000	---	---	25	25,000	25	30,328	---	---	25	30,328	25	30,470	---	---	25	30,470
16. Air Cargo	200	40,000	---	---	200	40,000	246	54,691	---	---	246	54,691	300	55,000	---	---	300	55,000
17. Airport Perimeter Security	---	---	---	---	---	---	---	4,972	---	---	---	4,972	---	---	---	---	---	---
18. Foreign and Domestic Repair Stations	---	---	---	---	---	---	15	2,983	---	---	15	2,983	---	---	---	---	---	---
19. Secure Flight *(Moved to TTAC in FY06)*	61	34,919	---	---	61	34,919	---	---	---	---	---	---	---	---	---	---	---	---
20. Crew Vetting *(Moved to TTAC in FY06)*	19	10,000	---	---	19	10,000	---	---	---	---	---	---	---	---	---	---	---	---
21. Registered Travelers *(Moved to TTAC in FY06)*	---	15,000	---	---	---	15,000	---	---	---	---	---	---	---	---	---	---	---	---
II. SURFACE TRANSPORTATION SECURITY	**301**	**$115,000**	**---**	**---**	**301**	**115,000**	**297**	**35,640**	**---**	**---**	**297**	**35,640**	**297**	**37,200**	**---**	**---**	**297**	**37,200**
1. Surface Transportation Security Operations and Staffing [*Enterprise Staffing*]	191	24,000	---	---	191	24,000	197	23,760	---	---	197	23,760	197	24,000	---	---	197	24,000
2. Hazardous Materials Truck Tracking & Training		2,000				2,000	---	3,960	---	---	---	3,960	---	---			---	---
3. Rail Security Inspectors and Canines	100	12,000	---	---	100	12,000	100	7,920	---	---	100	7,920	100	13,200	---	---	100	13,200
4. Credentialing Enterprise - Start up	---	5,000	---	---	---	5,000	---	---	---	---	---	---	---	---	---	---	---	---
5. TWIC *(Moved to TTAC in FY06)*	---	5,000	---	---	---	5,000	---	---	---	---	---	---	---	---	---	---	---	---
6. TWIC (fees)	10	50,000	---	---	10	50,000	---	---	---	---	---	---	---	---	---	---	---	---
7. HazMat CDL (fees)	---	17,000	---	---	---	17,000	---	---	---	---	---	---	---	---	---	---	---	---

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Department of Homeland Security
Transportation Security Administration
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted[1]						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
III. TRANSPORTATION THREAT ASSESSMENT & CREDENTIALING *[TRANSPORTATION VETTING & CREDENTIALING]*	---	---	---	---	---	---	**93**	**74,246**	---	---	**93**	**74,246**	**93**	**54,700**	---	---	**93**	**54,700**
1. Secure Flight	---	---	---	---	---	---	51	56,129	---	---	51	56,129	51	40,600	---	---	51	40,600
2. Crew Vetting	---	---	---	---	---	---	42	13,167	---	---	42	13,167	42	14,700	---	---	42	14,700
3. Screening Administration and Operations	---	---	---	---	---	---	---	4,950	---	---	---	4,950	---	---	---	---	---	---
CREDENTIALING FEES	---	---	---	---	---	---	**18**	**$39,000**	---	---	**18**	**39,000**	**25**	**74,101**	---	---	**25**	**74,101**
Registered Traveler Program Fees	---	---	---	---	---	---	12	20,000	---	---	12	20,000	12	35,101	---	---	12	35,101
TWIC Fees	---	---	---	---	---	---	---	---	---	---	---	---	7	20,000	---	---	7	20,000
HAZMAT CDL Fees *[HAZMAT Fees]*	---	---	---	---	---	---	6	19,000	---	---	6	19,000	6	19,000	---	---	6	19,000
IV. TRANSPORTATION SECURITY SUPPORT	**1,589**	**711,852**	---	---	**1,589**	**711,852**	**1,415**	**505,378**	---	---	**1,415**	**505,378**	**1,445**	**527,283**	---	---	**1,445**	**527,283**
1. Intelligence	99	14,000	---	---	99	14,000	99	20,790	---	---	99	20,790	99	21,000	---	---	99	21,000
2. Headquarters Administration	1,416	289,082	---	---	1,416	289,082	1,316	276,597	---	---	1,316	276,597	1,346	296,191	---	---	1,346	296,191
3. Information Technology	---	230,770	---	---	---	230,770	---	207,991	---	---	---	207,991	---	210,092	---	---	---	210,092
4. R & D *[Centralized in DHS in FY06]*	74	178,000	---	---	74	178,000	---	---	---	---	---	---	---	---	---	---	---	---
V. FEDERAL AIR MARSHAL SERVICE	---	**662,900**	---	---	---	**662,900**	---	**679,338**	---	---	---	**679,338**	---	**699,294**	---	---	---	**699,294**
1. Management and Administration	---	662,900	---	---	---	662,900	---	607,266	---	---	---	607,266	---	628,494	---	---	---	628,494
2. Travel and Training	---	---	---	---	---	---	---	70,092	---	---	---	70,092	---	70,800	---	---	---	70,800
3. Air-To-Ground Communications	---	---	---	---	---	---	---	1,980	---	---	---	1,980	---	---	---	---	---	---
Total Direct Appropriations and Budget Estimates	**52,615**	**5,813,275**	---	---	**52,615**	**5,813,275**	**50,363**	**5,915,014**	---	---	**50,363**	**5,915,014**	**50,380**	**6,047,462**	---	---	**50,380**	**6,047,462**
Fee Account Offset	---	**(2,402,000)**	---	---	---	**(2,402,000)**	---	**(2,951,000)**	---	---	---	**(2,951,000)**	---	**(3,812,307)**	---	---	---	**(3,812,307)**
1. Registered Traveler Program Fees	---	---	---	---	---	---	---	(20,000)	---	---	---	(20,000)	---	(35,101)	---	---	---	(35,101)
2. TWIC Fees	---	---	---	---	---	---	---	---	---	---	---	---	---	(20,000)	---	---	---	(20,000)
3. HAZMAT CDL Fees *[HAZMAT Fees]*	---	---	---	---	---	---	---	(19,000)	---	---	---	(19,000)	---	(19,000)	---	---	---	(19,000)
4. Passenger Fees	---	(2,330,000)	---	---	---	(2,330,000)	---	(2,810,000)	---	---	---	(2,810,000)	---	(3,736,206)	---	---	---	(3,736,206)
5. Credentialing Fees	---	(67,000)	---	---	---	(67,000)	---	---	---	---	---	---	---	---	---	---	---	---
6. Alien Flight School Fees	---	(5,000)	---	---	---	(5,000)	---	(2,000)	---	---	---	(2,000)	---	(2,000)	---	---	---	(2,000)
Mandatory Fees	---	**255,000**	---	---	---	**255,000**	---	**252,000**	---	---	---	**252,000**	---	**252,000**	---	---	---	**252,000**
1. Aviation Security Capital Fund	---	250,000	---	---	---	250,000	---	250,000	---	---	---	250,000	---	250,000	---	---	---	250,000
2. Alien Flight School Fees	---	5,000	---	---	---	5,000	---	2,000	---	---	---	2,000	---	2,000	---	---	---	2,000
Net, Direct Appropriations and Budget Estimates	**52,615**	**3,666,275**	---	---	**52,615**	**3,666,275**	**50,363**	**4,116,014**	---	---	**50,363**	**4,116,014**	**50,380**	**2,487,155**	---	---	**50,380**	**2,487,155**

[1]FY 2006 Revised Enacted fees include adjustments to FY06 Enacted levels

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Transportation Security Administration

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Conference Report 109-241, page 21 directs TSA to report bi-weekly any reasons for non-compliance with a separate mandate to triple the percentage of air cargo inspected on passenger aircraft. Target response to Committee is January 2006 with subsequent reports to follow as needed.

2. Conference Report 109-241, page 23 directs TSA to report monthly that details, by airport, the amount of air cargo carried on passenger aircraft that was screened by TSA. Target response to Committee is February 2006 with subsequent reports to follow as directed.

3. Conference Report 109-241, page 8 directs DHS to provide a report on Explosives Detection Systems Plan. Target response to Committee is January 2006.

4. Conference Report 109-241, page 55 directs TSA to report quarterly on the progress of meeting the goals established for the Transportation Worker Identification Credential program. Target response to Committee is March 2006 with subsequent reports to follow as directed.

5. Conference Report 109-241, page 56 directs TSA to provide a report that details a proposal to expand the Federal Air Marshals program beyond the aircraft and enter the airport security arena. Target response to Committee is March 2006.

6. Conference Report 109-241, page 21 directs DHS to report bi-annually on the actions taken to increase the level of air cargo screened and the percentage of air cargo inspected at each airport. Target response to Committee is March 2006 with subsequent report to follow as directed.

7. House Report 109-79, page 47 directs TSA to provide a report on flight attendant security training. Target response to Committee is February 2006.

8. Conference Report 109-241, page 56 directs TSA to provide a classified report on the status and efforts to hire Federal Air Marshals. Target response to Committee is March 2006.

9. Conference Report 109-241, page 51 directs TSA to provide a report that details appropriate solutions to lengthy processing times of international travelers at airports. Target response to Committee is April 2006.

10. House Report 109-79, page 51 directs TSA to provide a report on the Access Certificate program. Target response to Committee is February 2006.

11. Conference Report 109-241, page 34 directs TSA to provide a report on general aviation security. Target response to Committee is March 2006.

12. Conference Report 108-774, page 21 directs TSA to report annually on the amount of unclaimed money recovered in total at each airport and how that money is being used to provide civil aviation authority. Target response to Committee is April 2006.

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Transportation Security Administration
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Aviation Security	**2006**	**Such sums**	**$4,581,412**	**$4,654,884**
- Screening Partnership Prog (Privatized Screenin	2006	Such sums	138,868	148,600
- Passenger Screening PC&B	2006	Such sums	1,511,393	1,556,226
- Baggage Screening PC&B	2006	Such sums	879,027	913,974
- Screener Training	2006	Such sums	87,509	88,000
- Passenger Screeners, Other	2006	Such sums	23,618	23,352
- Baggage Screeners, Other	2006	Such sums	134,036	133,114
- Human Resource Services	2006	Such sums	206,068	207,234
- Checkpoint Support	2006	Such sums	164,072	173,366
- EDS Purchase	2006	Such sums	174,016	91,000
- EDS Installation	2006	Such sums	44,747	94,000
- EDS Maintenance	2006	Such sums	198,875	234,000
- Operations Integration	2006	Such sums	22,871	23,000
- Aviation Regulation and Other Enforcement	2006	Such sums	221,165	217,516
- Airport Mgmt and IT Support	2006	Such sums	682,173	666,032
- Fed Flight Deck Officer and Flight Crew Trainin	2006	Such sums	30,328	30,470
- Air Cargo	2006	Such sums	54,691	55,000
- Airport Perimeter Security	2006	Such sums	4,972	---
- Foreign and Domestic Repair Stations	2006	Such sums	2,983	---
Surface Transportation Security	**N/A**	**N/A**	**N/A**	**37,200**
- Surface Trans Enterprise Staffing	N/A	N/A	N/A	24,000
- Rail Inspectors and Canines	N/A	N/A	N/A	13,200

Department of Homeland Security
Transportation Security Administration
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Transportation Threat Assessment and Credentialing *[Transportation Vetting and Credentialing]*	**2005**	**Such sums**	**69,919**	**130,801**
- Secure Flight[1]	2005	Such sums	34,919	40,000
- Crew Vetting[1]	2005	Such sums	10,000	14,700
- Registered Traveler Program[1]	2005	Such sums	15,000	---
- Registered Traveler Program Fees	N/A	N/A	N/A	35,101
- TWIC Fees	N/A	N/A	N/A	20,000
- HAZMAT CDL Fees	N/A	N/A	N/A	19,000
- Alien Flight School Fees[1]	2005	Such sums	10,000	2,000
Transportation Security Support	**N/A**	**N/A**	**N/A**	**527,283**
- Intelligence	N/A	N/A	N/A	21,000
- HQ Administration	N/A	N/A	N/A	296,191
- Information Technology	N/A	N/A	N/A	210,092
Federal Air Marshal Service	**2006**	**Such sums**	**679,338**	**699,294**
- Management and Administration	2006	Such sums	607,266	628,494
- Travel and Training	2006	Such sums	70,092	70,800
- Air-to-Ground Communications	2006	Such sums	1,980	---
Aviation Security Capital Fund	**2006**	**Such sums**	**250,000**	**250,000**
Total Direct Authorization/Appropriation			**5,580,669**	**6,299,462**

[1]Through FY 2005, these programs were under the Aviation Program and were therefore authorized. The Transportation Threat Assessment and Credentialing Appropriation has not been authorized.

Notes:

(1) The only authorization that TSA has on program wide level is the aviation security authorization of appropriation received in the Aviation Transportation Security Act of Nov 2001. This act authorized Aviation funding through FY05 and was extended thru FY06 in the Intelligence Reform Act. Pass Fee auth was designated as not to exceed $2.50 per emplanement with total not to exceed $5.00 per one-way trip.

(2) FY06 Appropriation is Revised Enacted (includes 1% rescission)

Department of Homeland Security

Domestic Nuclear Detection Office

Research, Development, Acquisition, and Operations

Fiscal Year 2007

Overview

Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Domestic Nuclear Detection Office
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Research, Development, Acquisition, and Operations	---	$0	[14]	[$317,392]	112	$535,788	112	$535,788	92	$197,148	20	$338,640
Subtotal, Enacted Appropriations and Budget Estimates	**0**	**$0**	**[14]**	**[$317,392]**	**112**	**$535,788**	**112**	**$535,788**	**92**	**$197,148**	**20**	**$338,640**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropppriations and Budget Estimates	**0**	**$0**	**[14]**	**[$317,392]**	**112**	**$535,788**	**112**	**$535,788**	**92**	**$197,148**	**20**	**$338,640**

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

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ii. Homeland and Non-Homeland Allocation

Department of Homeland Security
Domestic Nuclear Detection Office
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Research, Development, Acquisition, and Operations	---	$0	---	$0	---	$0	---	[$314,834]	[14]	[$2,558]	[14]	[$317,392]	112	$535,788	---	$0	112	$535,788
- Management and Administration	---	---	---	---	---	---	---	---	---	---	---	---	112	30,468	---	---	112	30,468
- Research, Development, and Operations	---	---	---	---	---	---	---	---	---	---	---	---	---	327,320	---	---	---	327,320
- Systems Acquisition	---	---	---	---	---	---	---	---	---	---	---	---	---	178,000	---	---	---	178,000
Total Direct Appropriations and Budget Estimates	---	---	---	---	---	---	---	[$314,834]	[14]	[$2,558]	[14]	[$317,392]	112	535,788	---	---	112	535,788

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Domestic Nuclear Detection Office

Status of Congressionally Requested Studies, Reports, and Evaluations

1. House Report 109-241, page 79 directs the DNDO to submit a detailed spend plan prior to the obligation of any funds. Target response to Committee is February 2006.

2. House Report 109-241, page 80 directs the Department, in conjunction with the Department of Energy, to provide a report on the progress of various radiation technology efforts, the degree of coordination between Megaports and the Container Security Initiative, the types of technology being deployed at specific locations, and the extent to which next generation technology is being explored and developed for future use. Target response to Committee February 10, 2006.

iv. Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Domestic Nuclear Detection Office
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Research, Development, Acquisition, and Operations	**N/A**	**N/A**	**N/A**	**$535,788**
- Management and Administration	N/A	N/A	N/A	30,468
- Research, Development, and Operations	N/A	N/A	N/A	327,320
- Systems Acquisition	N/A	N/A	N/A	178,000
Total Direct Authorization/Appropriation				**$535,788**

Department of Homeland Security

Transportation Security Administration

Aviation Security

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Transportation Security Administration
Aviation Security Appropriation

I. Appropriation Overview

A. Mission:

The Aviation and Transportation Security Act (ATSA) enacted on November 19, 2001, established the Transportation Security Administration (TSA) to protect the transportation system and ensure the freedom of movement for people and commerce. The Aviation Security Appropriation consists of programs whose primary focus is to secure aviation transportation. The path to achieving this mission has evolved in the years since the September 11 attacks. In keeping with the DHS Second Stage Review, changes in aviation programs and shifts in resources have been driven by risk-based analysis. Enhancements in aviation security have included emphasis in explosives detection training and technology, modifications to the prohibited items list, and changes to TSA security screening protocols.

Aviation security efforts are supported by its Transportation Security Officers (TSOs), formerly known as screeners. TSA is committed to retaining and leveraging its workforce of 43,000 TSOs to enhance its ability to secure the aviation sector. The deployment of explosives detection systems is another key component of securing aviation. More than 1,400 explosives detection systems, over 1,850 advanced checkpoint x-ray devices, approximately 1,800 enhanced metal detectors, and an estimated 7,263 explosives trace detection devices have been installed in airports since November 2001. The deployment of 59 explosives trace portals to date has widened the scope of explosives detection at passenger checkpoints. Additional procurements in FY 2006 and FY 2007 will expand explosives detection capabilities at all airports for all high risk persons as well as automating explosives detection for their carry-on items. Near term emerging technology includes additional purchases of explosives trace portals; procurement of whole body imagers; automated explosives detection systems for carry-on items; cast and prosthesis spot imaging scanners; and automated explosives spot sampler systems. Safeguarding the nation's critical air cargo transportation infrastructure is another key component to aviation security. TSA has implemented a threat-based risk management approach for prioritizing efforts and focusing resources using a model of shared public and private sector responsibility. These efforts will be supported by the 200 cargo inspectors currently on board and the additional 100 being fielded in 2006. Deployment of the Freight Assessment System will also begin in 2007 to identify elevated risk cargo and enable a supply chain risk management model.

FY 2007 request also includes a provision that will restructure the September 11th Passenger Security Fee – passenger fee. Under the FY 2006 fee structure, passengers pay $2.50 per enplanement for a maximum of $5.00 per one-way trip. The proposed fee structure calls for a flat fee of $5.00 for all air travelers for one-way travel from United States airports. The flat fee of $5.00 matches the fee paid by most rural air travelers or those with connecting flights for one-way travel, and increases by $2.50 the fee paid by air travelers flying on direct flights or only one enplanement. The restructuring responds to congressional feedback from last year and better aligns the share of costs paid by the direct

beneficiaries of aviation security, the commercial air travelers, to the cost incurred by TSA in meeting the special role of the federal government in providing transportation security in the aviation mode. The budget request assumes $1.3 billion additional collections in FY 2007 associated with the change to the flat fee benchmarked to the $5.00, which is the FY 2006 cap on two or more enplanements on a one-way trip. Because the fee for aviation security will apply to all passengers, it will be a fixed amount, collected from passengers by their carrier and remitted to the federal government to offset the cost of providing secure air travel.

B. Budget Activities:

The Aviation Security appropriation includes two distinct components: TSO Operations and Equipment, previously called Screener Operations, and Aviation Direction and Enforcement.

TSO Operations and Equipment includes the Programs, Projects and Activities (PPA's) that support the pay, training, outfitting, and recruiting costs for the TSO workforce. Funding is also included for checkpoint support, purchase, installation, and maintenance of screening equipment to include explosives detection systems (EDS) and explosives trace detection machines (ETD), and related integration activities.

Aviation Direction and Enforcement includes activities that ensure that TSA continues to build a strong security regulation and enforcement presence on-site at the nation's commercial airports. Funding requested under this decision unit supports air cargo and airport/airline regulation compliance through inspections, K-9 units, international programs, and reimbursements provided to State and local law enforcement for support provided at commercial airport checkpoints, as well as the airport management and direction staff and airport IT connectivity and administrative support.

C. Budget Request Summary:

The Transportation Security Administration requests 51,102 positions, 48,520 FTE, and $4,654,884,000 for the FY 2007 Aviation Security request. The total adjustments-to-base is $1,106,000 and reflects a reduction of 20 FTE. The program increases include $72,366,000 to:

- Fully utilize workforce retention flexibilities, to potentially include pay-for-performance, performance bonuses, retention allowances, college credit reimbursement, and flexible staffing (0 positions, 0 FTE, and $10,000,000)
- Reimburse the Department of Labor Office of Worker's Compensation Program for claims filed by TSA employees through FY 2005 (0 positions, 0 FTE, and $20,000,000)
- Enhance the detection capability of prohibited items, especially firearms and explosives, by fielding additional sensors such as whole body imaging systems, automated explosive spot samplers, and cast and prosthesis scanners at the checkpoint (0 positions, 0 FTE, and $8,366,000)
- Support the maintenance of EDS systems that help prevent catastrophic loss and air piracy (0 positions, 0 FTE, and $34,000,000)

TSA also requests adjustments to the collection of fees:

- Replace the two-tiered passenger fee with a single flat fee of $5.00 for a one-way trip (0 positions, 0 FTE, and $1,336,861,000)

- Collect retro-active Airline Security Infrastructure Fee (ASIF) payments from air carriers from 2005 and 2006 (0 positions, 0 FTE, and $196,000,000)

D. Alternative PPA Structure Proposal:

The FY 2007 request is presented in the structure in which it was enacted in FY 2006. However, TSA proposes several strategic rollups of PPA's in two areas of the Aviation Security budget. These consolidations will improve TSA's ability to target funds in areas that are interrelated and provide agency management the flexibility to maximize the benefit intended among the linked PPA structure. TSA will continue to provide granularity on the specific pieces of the PPA's that were provided in past year budgets to support program accountability and external oversight of these activities.

TSA proposes a new PPA called TSA Staffing and Operations that will be comprised of the core PPA's that support the TSO workforce: Screening Partnership Program, Passenger and Baggage TSO PC&B, TSO Training, Passenger and Baggage TSO-Other, and Human Resource Services. This consolidation will allow TSA to respond to new requirements and risks that impact TSA's ability to recruit, train, and retain a quality TSO workforce. It will allow necessary management flexibility to balance the key logistical support PPA's related to the TSO workforce, allowing TSA to balance the complementary needs of payroll, training, recruiting, retaining, and equipping the TSO workforce. Examples of adjustments within this PPA could include changing the mixture of full and part-time TSOs to maximize staffing efficiencies, shifting resources when airports enter the Screener Partnership Program, and addressing emergent training needs or heightened security conditions that may arise. The consolidation of passenger and baggage activities is further supported by the fact that approximately 90% of TSO hires are trained as Dual Function TSOs. Currently, all of these changes would require Congress to approve a formal reprogramming request.

TSA also proposes to consolidate the EDS/ETD Purchase, Install, Maintenance and Utilities, and Operation Integration PPA's into one PPA called EDS/ETD Systems. This structure would mirror the Checkpoint Support PPA, which includes the purchase, install, and maintenance of checkpoint equipment into one PPA.

TSA will continue to provide an annual expenditure plan and capture obligations for EDS activities in four discreet categories: purchase, installation, maintenance, and operational integration. The PPA consolidation will allow TSA address changes in requirements as screening compliance issues arise or passenger growth patterns change. Funding requirements could also change as new technology is certified that is less expensive, which could change the amounts of install and purchase funding needed during the course of the year. The findings of the EDS innovative cost-share study could require TSA to shift resources between these areas.

As an example, a purchase and installation allocation imbalance exists in FY 2006, as outlined in the FY 2006 Spend Plan: given the programmatic requirements in this period, the EDS expenditure plan leaves $22.5 million unallocated in purchase funding because not enough installation funding is available to

support additional systems. Purchasing the equipment without deployment draws down the warranty period thereby increasing life cycle costs and installation delays deny security and efficiency benefits to screening operations.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE [1]	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Screening Partnership Program [*Privatized Screening*]		$152,429		$138,868		$148,600		$9,732			---	$9,732
Passenger TSO PC&B [*Passenger Screener - PC&B*]	28,785	1,504,238	28,448	1,511,393	28,426	1,556,226	(22)	44,833		18,900	(22)	25,933
Baggage TSO PC&B [*Baggage Screener - PC&B*]	16,905	781,973	16,708	879,027	16,695	913,974	(13)	34,947		11,100	(13)	23,847
TSO Training [*Screener Training*]		95,853		87,509		88,000	---	491			---	491
Passenger TSO - Other [*Passenger Screener - Other*]		25,559		23,618		23,352	---	(266)			---	(266)
Baggage TSO - Other [*Baggage Screener - Other*]		90,408		134,036		133,114	---	(922)			---	(922)
Human Resource Services		210,153		206,068		207,234	---	1,166			---	1,166
Checkpoint Support		89,256		164,072		173,366	---	9,294		8,366	---	928
EDS/ETD Purchase		175,483		174,016		91,000	---	(83,016)			---	(83,016)
EDS/ETD Installation		217,817		44,747		94,000	---	49,253			---	49,253
EDS/ETD Maintenance and Utilities		194,707		198,875		234,000	---	35,125		34,000	---	1,125
Operation Integration		---	14	22,871	14	23,000	---	129			---	129
Aviation Regulation and Other Enforcement	893	197,413	999	221,165	975	217,516	(24)	(3,649)	---	---	(24)	(3,649)
Airport Management, IT and Support	2,172	483,294	2,085	682,173	2,085	666,032	---	(16,141)	---	---	---	(16,141)
Federal Flight Deck Officer and Flight Crew Training	14	19,331	25	30,328	25	30,470	---	142	---	---	---	142
Air Cargo	160	27,062	246	54,691	300	55,000	54	309	---	---	54	309
Airport Perimeter Security	---	---	---	4,972	---	---	---	(4,972)	---	---	---	(4,972)
Foreign and Domestic Repair Stations	---	---	15	2,983	---	---	(15)	(2,983)	---	---	(15)	(2,983)
Aviation Security Capital Fund	---	195,279	---	250,000	---	250,000	---	---	---	---	---	---
Secure Flight [2]	41	31,079	---	---	---	---	---	---	---	---	---	---
Crew Vetting [2]	16	8,367	---	---	---	---	---	---	---	---	---	---
Registered Traveler [2]	3	8,287	---	---	---	---	---	---	---	---	---	---
Alien Flight School [2]	---	1,400	---	---	---	---	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	**48,989**	**$4,509,388**	**48,540**	**$4,831,412**	**48,520**	**$4,904,884**	**(20)**	**$73,472**	**---**	**$72,366**	**(20)**	**$1,106**
Less: Adjustments for Other Funding Sources:												
Passenger Fees	---	(1,918,584)	---	(2,010,000)	---	(3,736,206)	---	(1,726,206)	---	---	---	(1,726,206)
Alien Flight School [2]	---	(1,818)	---	---	---	---	---	---	---	---	---	---
Less: Prior Year Rescission:	---	---	---	(5,500)	---	---	---	5,500	---	---	---	5,500
Net, Discretionary Appropriations and Budget Estimates	**48,989**	**$2,588,986**	**48,540**	**$2,815,912**	**48,520**	**$1,168,678**	**(20)**	**($1,647,234)**	**---**	**$72,366**	**(20)**	**($1,719,600)**

[1] Specific FTE amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.
[2] In FY 2005, Transportation Threat Assessment and Credentialing (TTAC) was part of the Aviation Security Appropriation. In FY 2006 and beyond, TTAC is a separate appropriation.

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III. Current Services Program Description by PPA

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Program Performance Justification
(Dollars in thousands)

PPA: PASSSENGER TSO PERSONNEL, COMPENSATION, AND BENEFITS [PASSENGER SCREENER – PC&B]

	Perm Pos	FTE	Amount
2005 Actual	30,260	28,785	**$1,504,238**
2006 Revised Enacted	29,816	28,448	**$1,511,393**
2007 Adjustments-to-Base	(22)	(22)	25,933
2007 Current Services	29,794	28,426	**$1,537,326**
2007 Program Change	...	...	18,900
2007 Request	29,794	28,426	**$1,556,226**
Total Change 2006-2007	(22)	(22)	$44,833

The Transportation Security Administration requests $1.556 billion for this activity. This is an increase of $44.8 million over FY 2006.

PPA: BAGGAGE TSO PERSONNEL, COMPENSATION, AND BENEFITS [BAGGAGE SCREENER – PC&B]

	Perm Pos	FTE	Amount
2005 Actual	17,772	16,905	**$781,973**
2006 Revised Enacted	17,340	16,708	**$879,027**
2007 Adjustments-to-Base	(13)	(13)	23,847
2007 Current Services	17,327	16,695	**$902,874**
2007 Program Change	...	...	11,100
2007 Request	17,327	16,695	**$913,974**
Total Change 2006-2007	(13)	(13)	$34,947

The Transportation Security Administration requests $914 million for this activity. This is an increase of $34.9 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Passenger and baggage screening protects commercial air travelers by preventing dangerous or deadly objects that individuals are attempting to smuggle onto aircraft either on themselves or in their carry-on or checked baggage. The TSO PC&B PPAs fund approximately 44,100 FTE comprised of approximately 43,000 TSOs, TSO leads, and TSO supervisors, and approximately 1,100 TSO managers.

The TSA screening process must strike the appropriate balance between preventing security breaches and maintaining the efficient movement of law-abiding passengers through the security checkpoints. At the time of passenger check-in, TSOs use various types of electronic detection and imaging machines for this purpose, including X-ray machines, explosives trace detection equipment, walk-through metal detectors, and hand-held metal detectors. TSA personnel, including trained TSOs may employ behavior recognition techniques in conjunction with screening operations. At the checkpoints, TSOs may also perform physical searches of carry-on baggage and pat-down searches of airline passengers or crew.

By law all TSOs, both private and federal, are required to be U.S. citizens, pass a background investigation, and have a high school diploma, a general equivalency diploma, or experience that TSA has determined is sufficient to perform the duties of the position. They must pass training and be certified to use the machines employed in their jobs. They are also subject to periodic training and testing. Failure to pass any phase of training or a certification examination is grounds for termination of employment.

At the FY 2007 requested level of $2.47 billion for TSO personnel, compensation, and benefits (PC&B), TSA will employ sufficient TSOs to ensure the safety of the traveling public in secure airport terminals and aboard aircraft. In doing so, the public's confidence and satisfaction with the security of the aviation system will remain acceptable. Public satisfaction with security is evidenced in part by commercial air traffic that now exceeds pre-9/11 levels.

At the requested level, funding will support TSO salaries and management at all federalized airports. Included in the request is funding to support base salaries and benefits, including locality, Sunday, night differential, overtime, and holiday pay.

TSA requests $10 million for a program increase for screener retention programs. TSA will seek to fully utilize workforce retention flexibilities, to potentially include pay-for-performance, performance bonuses, retention allowances, college credit reimbursement, and flexible staffing.

In FY 2007 TSA will pay worker's compensation payments from the TSO PC&B account, indicative that U.S. Department of Labor Office of Worker's Compensation Program (OWCP) payments are most appropriately part of the TSO compensation base. Based upon actual OWCP billings for claims filed by TSA employees in FY 2005, a total of $55 million for worker's compensation payments are included in the request, representing a $20 million dollar increase over FY 2006. TSA will display and fund OWCP billings as part of the TSO PC&B activity.

TSA continues to aggressively reduce our OWCP costs through strategies of prevention, education, case management, and nurse intervention. TSA field operations are required to develop a local safety program targeted at inspections, hazard recognition and analysis, hazard

abatement, and injury documentation. The Office of Occupational Safety, Health and Environment (OSHE) provided field support to assist 150 airports develop their safety programs. Eleven safety courses aimed at injury prevention are posted on TSA's Online Learning Center. TSA implemented a national nurse case management program at 21 airports which has successfully assisted TSOs in returning to employment in a shorter time. We anticipate these efforts will mitigate injuries and reduce costs in the out years.

TRANSPORTATION SECURITY OFFICER (TSO) STAFFING AND OPERATIONS [SCREENER WORKFORCE]

PPA: SCREENER PARTNERSHIP PROGRAM [PRIVATIZED SCREENING]

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$152,429**
2006 Revised Enacted	...	...	**$138,868**
2007 Adjustments-to-Base	...	...	9,732
2007 Current Services	...	...	**$148,600**
2007 Program Change	...	...	...
2007 Request	...	...	**$148,600**
Total Change 2006-2007	...	...	9,732

The Transportation Security Administration requests $148.6 million for this activity. This is an increase of $9.7 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Screening Partnership Program (SPP) allows an airport operator to submit an application to have screening carried out by a qualified private screening company. The contractor must perform under federal oversight and the contracted screeners must perform at the same or at higher performance levels as federal TSOs. TSA developed the SPP based on operational experience for five years with the Private Screening Pilot Program (PP5), key lessons learned and program improvements from evaluation studies, and input from internal subject matter experts and external stakeholders.

Under ATSA, the pilot program ended on November 19, 2004, but TSA issued short bridge contracts to the original PP5 contractors to allow TSA time to develop the rules for applying for the SPP, the acquisition process, the Qualified Vendor's List and the Requests for Proposals for the new contracts. To date, all the original PP5 airports (San Francisco International, Kansas City International, Greater Rochester International, Jackson Hole Airport, and Tupelo Airport) have applied to have qualified contractors perform screening functions.

Additionally, to date two federalized airports have applied to the SPP: Sioux Falls, South Dakota and Elko, Nevada. Sioux Falls was accepted and a contract was awarded in December 2005. To align TSA resources to support the Sioux Falls privatization, a total of $1.7 million in various PPA's was allocated to the SPP PPA, the majority from TSO personnel, compensation, and benefits. The PPA adjustments were made by applying Activity Based Costing and Process

Based Management to determine the cost of airport screening activities. The Elko application is currently under review at TSA.

The FY 2007 funding request of $148.6 million is based on an estimate of resources necessary to maintain the six privatized airports through the end of FY 2007. The base increases support worker's compensation costs as well as anticipated transition and sustainment costs.

TSA will work to ensure the privatized screening companies offer an attractive, beneficial screening system option for airports while maintaining or improving security outcomes. Efficient and effective screening programs can only be achieved through strong partnerships with local airports. TSA will continue to strive for ways to strengthen these partnerships while ensuring that efficiencies resulting from privatization in no way compromise security.

PPA: TSO TRAINING [SCREENER TRAINING]

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$95,853**
2006 Revised Enacted	...	...	**$87,509**
2007 Adjustments-to-Base	...	...	491
2007 Current Services	...	...	**$88,000**
2007 Program Change	...	...	...
2007 Request	...	...	**$88,000**
Total Change 2006-2007	...	...	491

The Transportation Security Administration requests $88 million for this activity. This is an increase of $491,000 over FY 2006 to bring TSO training back to the FY 2006 enacted level.

CURRENT SERVICES PROGRAM DESCRIPTION:

A total of $88 million is requested to fully implement the passenger and baggage TSO training programs and related TSO workforce development programs. These funds support the design, development, delivery, and administration of training for TSOs and TSO supervisors and managers. Funding also supports the annual proficiency reviews for the TSO workforce required by ATSA.

TSO training is comprised of a compendium of courses that includes basic training for initial TSO hires, lead and supervisor TSOs, TSO recurrent training, and advanced technical skills training. About 55% of TSA training is conducted by over 1,000 TSA Approved Instructors (TAI) at the local level, with the remaining courses being taught by contractors. TSA's On-Line Learning Center (OLC) is also used to provide recurrent and specialized training.

All newly hired TSOs receive classroom instruction that includes 52.5 hours of checkpoint training, 48.5 hours of checked baggage training, or 65.5 hours of Dual Function TSO training, in addition to a minimum of 60 hours of On the Job (OJT) training. In order to reinforce and extend existing skills and knowledge, TSA aims for TSOs to receive an average of 3 hours of recurrent training per week. The FY 2007 request also supports advanced technical training and

cross training to help mitigate the impact the attrition of TSOs and increase local management flexibility.

TSA continually updates its training programs to combat predictable threats and to respond quickly to emergent ones. Recent examples of TSO training in response to new threats include Improvised Explosives Detection (IED) training provided to more than 18,000 TSOs to date and new concepts in the recognition and resolution of IED's to enhance TSO ability to recognize and resolve the components of IED's.

The implementation of new screening methodologies and the rollout of new technology also require modifying existing or creating new training tools. For example, a training curriculum has been developed for TSOs in behavior observation and analysis at the checkpoint to identify passengers exhibiting behaviors indicative of stress, fear and deception. As new technology is deployed for passenger and baggage screening in FY 2007, including Whole Body Imagers and reduced-size EDS, new training modules will be developed.

TSA employs a variety of automated training and testing tools to enhance TSO skills including computer based courses, training videos, and Threat Image Projection – where new threats are flashed on the computer screen at checkpoints to test a TSOs ability to detect them. In addition, new tools are deployed like Object Recognition Module (ORM) and Tip Ready X-Ray Simulator (TRX) to enhance and improve the performance of TSOs in image recognition. TSA also provides a "Threat in the Spotlight" series of articles written specifically for TSOs and their supervisors which describes and shows actual pictures of threats found by TSOs at airports or from other intelligence resources.

TSA uses a measurement and evaluation process to ensure that training programs meet established objectives and standards. Training effectiveness is assessed using a four-level model measuring trainee reaction, learning, behavior, and results. TSA also conducts assessments to ensure that a high level of instructional quality is maintained.

The technical and leadership competence of screener supervisors/managers is a critical component of screener effectiveness and retention. All recently appointed supervisors/managers will participate in training that includes approximately 80 hours of classroom training supplemented by an additional 20 hours of web-based training. Concurrent with deployment of the new supervisor training program, TSA will be developing and deploying refresher and advanced training for experienced supervisors/managers to ensure that their skills keep pace with the ever changing work environment, security threats, and requirements for leading a security workforce.
All TSOs and Lead/Supervisory TSOs must participate in an Annual Proficiency Review (APR) to ensure that they meet all of the qualifications and performance standards required to perform their duties as set forth under ATSA. The APR involves a three part skills assessment which includes a written exam(s), an image proficiency review and a practical skills demonstration. TSOs who fail a portion must be removed from screening duties and receive extensive remedial training and be successfully re-tested prior to returning to duty. The contractor deploys assessment teams to every field location and provides for their logistical support.

PPA: PASSENGER TSO - OTHER [PASSENGER SCREENER - OTHER]

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$25,559**
2006 Revised Enacted	...	...	**$23,618**
2007 Adjustments-to-Base	...	...	(266)
2007 Current Services	...	...	**$23,352**
2007 Program Change	...	...	0
2007 Request	...	...	**$23,352**
Total Change 2006-2007	...	...	(266)

The Transportation Security Administration requests $23.4 million for this activity. This is a decrease of $266,000 from FY 2006.

PPA: BAGGAGE TSO - OTHER [BAGGAGE SCREENER - OTHER]

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$90,408**
2006 Revised Enacted	...	...	**$134,036**
2007 Adjustments-to-Base	...	...	(922)
2007 Current Services	...	...	**$133,114**
2007 Program Change	...	...	0
2007 Request	...	...	**$133,114**
Total Change 2006-2007	...	...	(922)

The Transportation Security Administration requests $133.1 million for this activity. This is a decrease of $922,000 from FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

In addition to compensation and benefits, TSA incurs other direct costs associated with TSO operations. These requirements include operational support such as consumable supplies; travel for the National TSO Force; a uniform allowance; hazardous materials disposal; and checkpoint janitorial services. For passenger and baggage, base resources of $156.5 million support these activities.

This request supports $104 million of consumable supplies, uniform allotments, and janitorial services. Consumable supplies are critical, disposable materials used by TSA TSOs to assure consistently effective checked baggage security levels. These consumable supplies include:

- disposable gloves
- sample swabs or traps
- sample wands
- daily calibration tokens
- sticks or traps
- moisture removers
- filters, printer paper & ribbons

- reactant materials
- special solutions
- holographic protected, serialized label seals applied to bag tags to confirm the bag has been cleared for transport
- serialized label seals and plastic strip seals to reseal bags opened for inspection by TSOs
- TSA logo inspected tape to reseal cardboard boxes and packages after inspection
- serialized TSA Kevlar straps to reseal bags after inspection when latches must be broken to gain access
- baggage inserts to notify passengers that TSA has opened their bag for inspection and providing contact information in the event the passenger believes there is a problem.

Full funding of this request will ensure that all TSOs receive a sufficient uniform allotment - initially $234/TSO - to purchase and replace uniform items. TSA checked baggage and passenger TSOs are required to wear the TSA uniform in the performance of their duties. Uniforms allow TSA TSOs to maintain a professional appearance and instill confidence, as well as serve as a deterrent to would-be-terrorists.

Janitorial services are required at each passenger checkpoint and baggage screening area. These services are necessary to provide a debris free environment for TSA TSO workforce. In addition, the maintenance of these areas is crucial in assisting to convey a positive image of TSA to the traveling public.

The funds requested provide the $35 million for operational expenses of the National TSO Force. In FY 2007, the National TSO Force will generally be deployed only to those airports experiencing significant staffing shortfalls associated with increased seasonal traffic or when a special event (e.g., Super Bowl, large national conferences, etc.) occurs requiring an immediate influx of additional TSO support. TSA will continue to review methods for reducing costs associated with the National TSO Force, such as ensuring that each airport has a sufficient staffing program in place to address short-term needs.

Additionally, this budget funds $12 million for the National Hazardous Materials Disposal Program that arranges for disposition of the voluntarily abandoned and/or confiscated personal property, including hazardous materials collected by TSA at airport security checkpoints, such as butane lighters. TSA has an extensive and complex effort to safely and securely identify, sort, store, protect assets, as well as remove and dispose of hazardous property voluntarily abandoned or confiscated by TSA screening programs. With over 448 airports, it is not cost effective for each airport to individually handle hazardous material disposal. TSA has a national hazardous materials disposal program to avoid the exposure of the traveling public to hazardous materials and to comply with Environmental Protection Agency and local environmental regulations and laws.

TSA's most important resource is its employees. In order to support its employees and enable them to perform at the highest level, TSA allocates $2 million for the Model Workplace Program, which identifies, supports and accelerates implementation of the best employment ideals and practices. The cornerstone of the Model Workplace Program is TSA's Integrated Conflict Management System (ICMS). The ICMS applies to everyone and is the foundation for a Model Workplace because it is about how agency personnel treat each other, how they solve

problems, and how they make decisions. It provides skills, structure and support to develop a positive workplace culture through a common language and the commitment to cooperative problem solving necessary for good relationships, good teamwork and organizational effectiveness. The ICMS supports better-informed and more strategic decision making by focusing on how decisions are made and communicated.

PPA: HUMAN RESOURCE SERVICES

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$210,153**
2006 Revised Enacted	...	...	**206,068**
2007 Adjustments-to-Base	...	...	1,166
2007 Current Services	...	...	**207,234**
2007 Program Change	...	...	...
2007 Request	...	...	**207,234**
Total Change 2006-2007	...	...	1,166

The Transportation Security Administration requests $207.2 million for this activity. This is an increase of $1.2 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

A total of $207.2 million is requested for HR Services. The Office of Human Capital (HC) manages human resources, payroll, personnel policies, programs and systems, maintains oversight of all human resources contractual activities, and provides advice and counsel to senior managers on personnel issues. In addition, this office administers mandated employee related programs such as, Employee Assistance Program (EAP), Drug Testing Program, and Employee Relations.

The majority of the requested funds are for the recruitment, assessment and servicing of TSA's TSO and other workforce at headquarters, field locations, and airports to ensure a qualified workforce is available to meet security requirements. In FY 2006, TSA will need to hire in excess of 10,000 TSOs to sustain the workforce at 2006 funded levels given current attrition rates with a workforce comprised of 80% full-time and 20% part-time employees. In addition, TSA plans to increase the percentage of its part-time TSO workforce to provide greater flexibility and efficiency in scheduling which will require increased hiring actions and a greater number of overall employees to service.

PPA: CHECKPOINT SUPPORT

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$89,256**
2006 Revised Enacted	...	...	**164,072**
2007 Adjustments-to-Base	...	...	928
2007 Current Services	...	...	**$165,000**

2007 Program Change	...	...	8,366
2007 Request	...	...	**$173,366**
Total Change 2006-2007	...	...	9,294

The Transportation Security Administration requests $173.4 million for this activity. This is an increase of $9.3 million over FY 2006, which includes $0.9 million base increase to bring TSA back to FY 2006 enacted level and a program increase of $8.4 million.

CURRENT SERVICES PROGRAM DESCRIPTION:

Checkpoint Support provides the resources required to deploy and maintain passenger screening, carry-on baggage screening and electronic surveillance equipment at approximately 1,880 passenger checkpoint lanes in our Nation's airports. TSA is developing a comprehensive strategic plan for transforming passenger checkpoints through the use of emerging technology and other innovations. This risk based plan, scheduled for completion in 2006, will guide the deployment of screening equipment at passenger checkpoints.

Checkpoints are equipped with equipment to detect weapons including some improvised explosive device components (i.e. wires) in carry-on baggage; to detect the presence of metal on passengers' bodies; and to test for traces of explosives on passengers and their carry-on bags. The systems currently utilized for these purposes are the TIP ready X-Ray machines (TRX), which replace a previously manually-intensive search, allowing faster bag throughput, and increased threat detection capability; the enhanced metal detectors (EMD), which are walk-through metal detection portals that screen the general public for metallic weapons such as guns or knives; and the explosives trace detectors (ETD), which are used to test for explosive residue on selected carry-on items. Additionally, deployment of Explosives Trace Portals (ETP) began in 2005 to inspect passengers for concealed explosives. The portals represent the first emerging technology being used to detect explosives on passengers.

The growth in passenger traffic, the evolution of the airline industry, and the need to deploy emerging technology fuel the requirement for checkpoint reconfiguration funding in FY 2007. Funding of $11 million will support the addition of 75 - 100 checkpoint lanes to accommodate anticipated airport growth and continued maintenance of the checkpoint equipment warehouse. This includes base funding of $10 million and a program increase of $1 million.

This request includes $31.55 million to purchase and install new screening equipment and update existing equipment to enhance reliability and improve performance. This includes a base funding level of $30.3 million and a program increase of $1.25 million. Equipment purchases will include TIP Ready X-rays (TRX), Explosives Trace Detectors (ETD), Enhanced Walk-Through Metal Detectors (EMD), and Enhanced Hand Wand (EHW). Existing equipment will be refurbished to provide functionality and performance enhancements to existing ETD, TRX and EMD.

The requested funding for emerging technology of $80.52 million will support the purchase and deployment of new passenger screening technologies that emerge from on-going R&D programs. The funding level includes a base funding level of $79.30 and a program increase of $1.22

million. This funding will permit the continued acquisition and deployment of Explosives Trace Portals (ETP) and Whole Body Imagers. The request provides funds to initiate the acquisition and deployment of Automated Explosives Detection Systems (EDS) for Carry-On Bags, Automated Explosives Spot Samplers, Cast and Prosthetics Scanners, as well as the initial production of new emerging technologies to be purchased and field tested. Funding will also allow implementation of engineering enhancements to screening systems utilizing emerging technologies that were deployed earliest in the equipment's roll-out. These enhancements will address any reliability and detection issues that emerge.

The table below describes the fully loaded per unit costs, including purchase, installation, engineering, technical and program support, for the emerging technology planned for deployment in FY 2007.

Emerging Technology	Description	Fully Loaded per Unit Costs
Explosives Trace Detection Portals (ETP)	Automated detection capability to inspect passenger's whole body for concealed explosives, while passengers pass through a semi-enclosed portal that puffs small amounts of air onto the passenger and then collects and analyzes the air for explosives trace.	$211,924
Automated Explosives Spot Sampler	Automated detection capability to inspect passenger's hands, shoes, torso, or documents (ticket, boarding pass, ID, credit-card) for concealed explosives, could take the form of a kiosk, turnstile, etc.	$126,344
Automated Carry-On Bag Explosives Detection System	Automated detection capability for inspecting carry-on bags for explosives and weapons that can be used to replace the current imaging (TRX) and manual image analysis process used in aviation checkpoints.	$506,778
Whole Body Imaging	Imaging capability to inspect passenger's whole body for concealed weapons (metal and non-metal) and some explosives in place of a metal detection wand inspection and physical pat-down in selectee lanes using backscatter X-ray or other transmission technology to create images.	$96,582
Cast and Prosthetics Scanner	Imaging capability to inspect passengers with limb casts or limb prosthesis for concealed weapons and some explosives in selectee lanes.	$43,077

Funding for purchase and installation of checkpoint equipment and emerging technology will: (1) assist in meeting TSA's operational requirements for lane expansions; (2) ensure minimum delays for checkpoint operations; and (3) aide in replacing and upgrading current screening equipment that is nearing the end of its useful life-cycle. Specifically:

- 125 EMD's for expansion lanes

- 164 TRX's for expansion lanes and life-cycle replacements (includes 136 units for base funding and 28 units from the requested program increase)
- 375 ETD's for expansion lanes and life-cycle replacements
- 92 ETP's
- 27 Automated EDSs
- 91 Whole Body Imaging Systems
- 210 Cast and Prosthetics Scanners (includes 188 units from base funding and 22 units from the requested program increase)
- 93 Automated Explosives Spot Samplers

TSA must continue to fund maintenance in order to sustain operational capability and ensure compliance at the checkpoints. A total of $40 million is requested for both in warranty and out of warranty checkpoint equipment, which includes both preventative and corrective maintenance, as well as spare parts and replacement pieces (e.g., condenser tubes, monitors). This includes a base funding level of $35.1 million and a program increase of $4.9 million. Minor preventative maintenance is performed by TSO personnel on a daily and weekly basis. Field Service Technicians from the various support contractors and original equipment manufacturers perform monthly, quarterly, and annual servicing as required. Checkpoint equipment comes with a 1 year manufacturer warranty from the site acceptance date; however machines in warranty still require approximately 3% of their original costs to support preventative maintenance during this time. Out of warranty equipment maintenance ranges from 12% – 17% of cost of the equipment. Early in its existence, TSA implemented an effort to procure passenger screening equipment for every checkpoint. The manufacturers' warranties have expired on the bulk of this equipment and TSA must now bear the full maintenance cost.

TSA's checkpoint equipment maintenance requirements by FY 2007 will consist of:

- Approximately 2,366 TRX's
- Approximately 2,268 EMD's
- Approximately 1,653 ETD's
- Approximately 434 ETP's
- Approximately 27 Automated EDS's
- Approximately 171 Whole Body Imaging Systems
- Approximately 210 Cast and Prosthesis Scanners
- Approximately 93 Automated Explosives Spot Samplers

In FY 2007, TSA will continue deployment of electronic surveillance systems. At the requested $10.3 million level, TSA will be able to install closed circuit equipment at approximately 15 additional airports and support managed services at 14 legacy airports. By the end of FY 2007 surveillance systems monitoring checked baggage screening will be installed at 60% of targeted airports. The systems' cameras will detect theft or improper behavior during the screening process by TSOs or baggage handlers and provide a fast visual identification of those committing infractions. These cameras will provide an additional means of security by allowing a quick response to disruption in operations. It will also protect TSOs from false claims of abuse by recording all transactions in the screening areas.

PPA: EDS/ETD PURCHASE

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$175,483**
2006 Revised Enacted	...	...	**174,016**
2007 Adjustments-to-Base	...	...	(83,016)
2007 Current Services	...	...	**91,000**
2007 Program Change	...	...	...
2007 Request	...	...	**91,000**
Total Change 2006-2007	...	...	(83,016)

TSA requests $91 million for this activity. This is a decrease of $83 million from FY 2006. This shift represents an appropriate balance of purchase and installation funding in FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

EDS/ETD Purchase -- Funds the purchase of electronic baggage screening equipment for deployment in our nation's airports. Explosives Detection Systems (EDS) and Explosives Trace Detection (ETD) machines are the two types of equipment used in the Electronic Baggage Screening Program (EBSP). EDS is the main technology used in the checked baggage screening process. This equipment automates what was previously a manually-intensive baggage inspection, allowing faster bag throughput up to 250% and improved threat detection capabilities. EDS machines are the largest and most expensive security screening equipment.

Most of the currently deployed EDS technology was developed prior to ATSA based on standards set forth by Congress in the Aviation Security Improvement Act of 1990. Since large-scale deployment of EDS systems by TSA in 2002 and 2003, manufacturers have only marginally improved false alarm rates and throughput capabilities of this equipment. New EDS equipment was certified in 2005, including the Reveal CT-80 and AN 6400 that were developed under the Research and Development Phoenix Project (Next Generation-NexGen). The requested funding supports the purchase of these units and other NexGen equipment that the Phoenix and Manhattan II R&D projects are expected to continue developing in FY 2006 and FY 2007. NexGen EDS machines that can operate at up to 900 bags per hour and employ revolutionary threat detection concepts are also under development and scheduled for commissioning in early 2008.

ETD machines are used both as a primary screening method and a secondary screening method (i.e., resolving EDS alarms). ETDs are the second largest component of equipment cost within the EBSP program. The ETD machines check for explosive residue left on the outside or inside of baggage. Since the enactment of the Aviation and Transportation Security Act (ATSA) in November 2001, TSA has worked with airports to implement the 100% checked baggage screening requirement. Equipment purchases associated with Letters of Intent (LOIs) with six airports will continue in 2007. In 2007, TSA will use the EDS Strategic Plan to prioritize new airport projects. This plan uses a top-down prioritization model to perform a systematic, comprehensive assessment of screening alternatives at airports and prioritizes projects by

balancing security and economic factors. These results feed into a deployment model that identifies the optimal schedule for deploying equipment to airports given funding, equipment availability and other key assumptions. These continuing system deployment efforts are required to maintain compliance as passenger traffic increases and circumstances at airports change.

Given the variety of local factors and conditions that will affect funding and design decisions, the determination of an optimal screening solution for an airport requires a partnership between TSA, the airport operator, and its key airline tenants. TSA plans to work closely with airport operators and other key stakeholders to integrate the "bottom-up" planning exercises being conducted by many airport operators with the initial "top-down" plans developed as part of the Strategic Plan. This will preclude airports from designing systems that will inaccurately address screening requirements and will ensure that the best overall implementation strategy will be executed.

The final component of the EBSP Strategic Plan will be completed in 2006 with the release of the cost-share study. TSA is working in collaboration with aviation industry stakeholders to develop innovative financing solutions for the program. Depending on the results of this phase, TSA may be able to accelerate the implementation of the Strategic Plan.

Based on current plans, a total of $91 million will be required to meet the need for new and replacement screening equipment. This funding will allow TSA to continue to field enhanced security capabilities at airports and to recapitalize equipment reaching the end of its service life. In FY 2007, $27 million will be required to replace approximately 400 aging ETD units in accordance with industry standards. At airports using multiple ETDs for primary baggage screening, TSA may seek to replace aging ETDs with EDS.

PPA: EDS/ETD INSTALLATION

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$217,817**
2006 Revised Enacted	...	...	**44,747**
2007 Adjustments-to-Base	...	...	49,253
2007 Current Services	...	...	**94,000**
2007 Program Change	...	...	...
2007 Request	...	...	**94,000**
Total Change 2006-2007	...	...	49,253

Transportation Security Administration requests $94.0 million for this activity. This includes an adjustment to base increase of $49.3 million over FY 2006. This shift represents an appropriate balance of purchase and installation funding in FY 2007.

CURRENT SERVICES PROGRAM DESCRIPTION:

EDS/ETD Installation -- Funds the installation of electronic baggage screening equipment in our nation's airports. Installation costs, along with purchase costs, are a component of the total cost of equipment deployment. The cost of installing EDS and ETD systems consist of some or all of the following, depending on the equipment and specific location: 1) site survey and design, 2) site preparation/ facility modification, 3) warehousing and shipping, 4) testing and 5) program support.

The current services request level includes an increase of $49.3 million. This represents a shift in funding from the EDS/ETD Purchase PPA. The funding requested, in combination with $250 million from the Aviation Security Capital Fund, totals $344 million. This funding allows TSA to provide the final payments to airports with existing LOIs at the 75-25 reimbursement level. At the base level of funding, TSA will apply approximately $187.8 million to LOI reimbursement for six airports No funds are allocated for new LOI agreements in FY 2007.

Additionally, $156.2 million will fund the installation of new equipment purchased to replace systems that have reached the end of serviceable life and a number of additional in-line systems purchased for airports selected in accordance with the EBSP Strategic Plan "top-down" approach. This will cover both the installation of current certified equipment as well as NexGen equipment.

PPA: EDS/ETD MAINTENANCE & UTILITIES

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$194,707**
2006 Revised Enacted	...	...	**198,875**
2007 Adjustments-to-Base	...	...	1,125
2007 Current Services	...	...	**200,000**
2007 Program Change	...	...	34,000
2007 Request	...	...	**234,000**
Total Change 2006-2007	...	...	35,125

Transportation Security Administration requests $234.0 million for this activity. This is an increase of $35.1 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

EDS/ETD Maintenance & Utilities -- Funds the maintenance and associated utilities of electronic baggage screening equipment in our nation's airports. System sustainment, maintenance and the associated utility costs are fundamental requirements. If all security screening equipment is to be operationally ready and supportable over its anticipated lifetime, investment in preventative and corrective maintenance is critical.

The majority of TSA's maintenance activity is provided by contractors. Field Service Technicians (FSTs) and original equipment manufacturers (OEMs) under contract to TSA

perform monthly, quarterly, and annual servicing of equipment no longer covered under warranty. Additionally, staff of approximately 36 contractors is employed 24 hours a day, 7 days a week coordinating the deployment of highly skilled and specialized FSTs to perform unplanned corrective repairs in the field. Given that the technology for these machines is not mature, corrective maintenance represents a significant portion of the maintenance costs. Spare parts (e.g., condenser tubes, belts) required for routine maintenance are included in these contracts.

In addition to preventative and corrective maintenance activities, TSA must incur sustainment costs associated with the operation of deployed checked baggage screening systems. These costs include consumables for ETDs, transportation, sustaining engineering, data management, configuration management, safety, occupational health, environmental management functions, and disposal. The cost of utilities associated with operation of the equipment is also a recurring cost borne by TSA. Under the current maintenance contracts, TSA has achieved a 20% reduction in per-machine maintenance costs compared with pre-FY 2005 levels.

TSA's maintenance funding in FY 2007 will cover maintenance costs for over 1,944 EDS and 6,932 ETD units deployed to over 448 airports nationwide. A total of $234.0 million is requested to sustain deployed security equipment at our nation's airports. Total maintenance costs are projected to be $217.6 million and utility costs are projected to be $16.4 million.

PPA: EDS/ETD SYSTEMS – OPERATION INTEGRATION

	Perm Pos	FTE	Amount
2005 Actual			...
2006 Revised Enacted	**14**	**14**	**$22,871**
2007 Adjustments-to-Base	...	...	129
2007 Current Services	**14**	**14**	**23,000**
2007 Program Change	...	...	...
2007 Request	**14**	**14**	**23,000**
Total Change 2006-2007	...	...	129

Transportation Security Administration requests $23 million for this activity. This includes an adjustment to base of $129,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Funding for Operation Integration (OI) supports efforts to develop technology requirements and perform operational integration on new security equipment, including passenger, baggage and cargo screening equipment, infrastructure security systems and conveyance security technologies.

The Technology Requirements Branch (TRB), which consists of 14 FTE located at the Transportation Security Laboratory (TSL), is responsible for determining and establishing the operational, functional, performance and integration requirements for TSA security screening

equipment, both deployed and in development. The TRB also provides requirements engineering support to CTO organizations for infrastructure and support systems.

The TRB develops and maintains standards for system certification and qualification standards. As the principle interface to the DHS Science and Technology Directorate (S&T) and short-term research, the TRB formulates the acceptance criteria for systems transitioning from the S&T developmental test and evaluation phase to the TSA before the systems are piloted.

The purpose of the Operational Integration program is to evaluate the impact of new security technologies, procedures, and policies and the analysis of their integration into existing systems to ensure operational effectiveness and suitability before full system production and deployment. This work is accomplished through the testing and evaluation of pre-production or production-representative systems under real-world conditions, including operation by those who will employ the equipment in the field in a variety of environmental conditions.

The OI program is an essential element in the deployment of emerging EDS technology for screening baggage and cargo and the deployment of programs intended to enhance the physical security of transportation infrastructure and conveyances. The requested funding supports TSA's program management of the National Safe Skies Alliance and several major initiatives, including those listed below.

- Operational testing and evaluations (OT&E) of EDS systems emerging from the Phoenix and Manhattan II developmental programs and of emerging technologies in various transportation venues
- Extended field testing of EDS systems to screen Break-Bulk Cargo
- OT&E of biometric devices, access control, and perimeter security technologies
- Technical support for the development of Qualified Products Lists for infrastructure protection technologies
- OT&E of technologies designed to protect the transport media including continuation of the Hardened Unit Load Devices and evaluation of Passenger Cabin Protection technologies once products are accepted by developmental testing

Competitive awards for the conduct of the airport perimeter security pilots will be awarded during FY 2006. These pilots, funded under a separate PPA in FY 2006, will evaluate innovative technologies that may reduce security weaknesses and vulnerabilities in airports throughout the United States will be. The information these pilots generate will be considered in the development of future security programs.

PPA: AVIATION REGULATION AND OTHER ENFORCEMENT

	Perm Pos	FTE	Amount
2005 Actual	**1,368**	**893**	**$197,413**
2006 Revised Enacted	**999**	**999**	**221,165**
2007 Adjustments-to-Base	(24)	(24)	(3,649)
2007 Current Services	**975**	**975**	**217,516**
2007 Program Change	...	...	...
2007 Request	**975**	**975**	**217,516**
Total Change 2006-2007	(24)	(24)	(3,649)

TSA requests $217.5 million for this activity. This is a decrease of $3.6 million below FY 2006 to re-align base resources to higher priorities. In FY 2007, TSA will reduce FTE levels by 24 in this program.

CURRENT SERVICES PROGRAM DESCRIPTION:

This program is responsible for providing law enforcement and regulatory presence at airports to ensure compliance with required security measures and respond to security incidents. It also provides an international component to foster consistency in worldwide security requirements.

Regulatory Inspections: TSA exercises regulatory authority to implement security measures throughout the aviation domain. A cadre of 650 expert aviation security inspectors (ASIs) monitors and enforces compliance with these regulations through inspection and outreach programs.

The inspection mission is broad and involves the evaluation of the security integrity of more than 1,000 airports (over 450 of which are located in the U.S.), more than 1,500 domestic and international carriers operating in the U.S., and over 7,500 indirect air carriers subject to periodic inspection. Inspectors play an essential role in formulating annual plans for local inspection. ASIs review the documentation and plans that have been approved by TSA and implemented in support of TSA regulatory mandate as well as records and files pertaining to criminal history records checks performed pursuant to Federal law. The inspectors also review records and files to ensure compliance of indirect air carriers, private passenger and/or cargo charters, airmen and aircrew with security requirements. The ASIs investigate incidents related to violations of TSA regulation, security directives, and approved security programs. Inspectors deliver technical briefings and assistance to aviation industry in interpreting agency policies to ensure compliance with rules.

ASIs also evaluate the integrity of fences, lighting, and locks, among many other important security measures by walking the grounds and interaction with airport personnel. They determine the adequacy of security and recommend enhancements, where appropriate, for non-regulated airports/facilities, including general aviation landing facilities and airports, and for aircraft operators. Areas of emphasis for inspection and/or assessment include: access control systems,

security identification systems, surveillance systems, law enforcement response capabilities, physical security of aviation facilities and aircraft.

In FY 2005, 41,487 formal enforcement actions were filed against airports, air carriers, and indirect air carriers. The largest number of enforcement actions (37,099) was taken against individuals including passengers and others involved in incidents at passenger screening checkpoints and allegations of misconduct by those who attempt to carry weapons or other items prohibited for transport aboard aircraft. Inspectors must be well trained and knowledgeable in the principles of investigation and civil enforcement in order to assist the agency Chief Counsel in the preparation of formal enforcement actions against those who violate security requirements.

While continuous monitoring is not possible by ASIs, they nevertheless completed 79,620 inspections in FY 2005 targeting both domestic and international aviation activity. Inspections are both scheduled and random and may include one or all of the critical security elements required by TSA. Against a backdrop that reflects historically high rates of compliance by the aviation industry, TSA inspections still uncovered 9,063 issues of security non-compliance in FY 2005 with formal enforcement investigations launched against operators in 4,388 of those cases. TSA estimates 87,500 inspections in FY 2007, compared to 90,600 inspections anticipated in FY 2006. Similarly, the estimated investigations for FY 2007 would total 4,800, compared to nearly 5,000 projected for FY 2006 based on the current funding levels, enacted as well as requested.

Law Enforcement Officer (LEO) Agreements: In addition to 80 TSA LEOs, TSA established reimbursable agreements with state and local law enforcement agencies to provide uniformed officers at passenger security checkpoints under the flexible response authorities granted to TSA. These agreements provide the law enforcement security services required by Federal Security Directors (FSDs) to fulfill their security mission at the checkpoints. They ensure an expert law enforcement presence is always available to deter suspicious activity and respond quickly in the event of a breach of security at checkpoints.

Under the reimbursable program, financial assistance is available in cases where a no-cost program would critically and adversely affect the financial resources and security staffing requirements of the participating airport. For those cases, FSDs submit written justifications on why a no-cost program would not be adequate and why financial assistance would be essential to the success of the TSA mission.

In FY 2007, TSA plans to fund over 275 reimbursable agreements.

Canine Explosive Detection Program: The National Explosives Detection Canine Program exists to deter and detect the introduction of explosives devices into the transportation system. In addition, bomb threats cause disruption of air, land and sea commerce and pose an unacceptable danger to the traveling public and should be resolved quickly. Explosives detection canine teams are proven and reliable resources to detect explosives and are a key component in a balanced counter-sabotage program. The use of highly trained explosives detection canine teams is also a proven deterrent to terrorism directed towards transportation systems and provides a timely and mobile response to support facilities, rail stations, airports, passenger terminals, seaports and surface carriers. The canine program fosters partnerships throughout the federal government, state and local law enforcement community, as well as throughout the world.

The canine program provides local law enforcement officers with canine unit support, related equipment, technical assistance, and partial reimbursement costs to ensure a safe and secure transportation system. In FY 2007, TSA will have in place its fully authorized level of 420 teams for aviation security (including air cargo) and an additional 30 teams for mass transit inspections. All the programs combined will result in maintaining a total of 450 canine teams to detect explosives as part of its multifaceted approach to transportation security. TSA-certified canine teams are stationed at each of the nation's largest airports and are used numerous times each day to check out suspicious bags or cargo and to deter terrorist activities.

Base funding for canines is $19 million in this PPA. The program also receives funding from the Surface appropriation to support mass transit teams ($2 million) and from the Air Cargo PPA to support air cargo inspections (expected to be $7 million in FY 2006 and FY 2007).

International Programs: TSA strives to lead worldwide improvements in transportation security using a three-layered approach, which includes:

- 21 TSA representatives responsible for liaison activity and representation with over 100 foreign governments;
- On-site liaison activity and representation in 14 foreign countries;
    - Non-stop assessment activity to verify security measures for U.S. and foreign assets at more than 500 foreign airports and maritime ports, and nearly 700 foreign and domestic repair stations, worldwide;
- Active leadership within the regional and international community that comprises the world's transportation security expertise and policy development.

TSA promotes alignment and consistency between the security requirements of the U.S. and foreign governments. TSA takes a leadership role as a permanent U.S. member in the regional and international organizations concerned with transportation security [e.g., International Civil Aviation Organization (ICAO), the Arab Civil Aviation Commission (ACAC), the European Civil Aviation Conference (ECAC), the International Multi-Modal (IMM) Transportation Security, and the Asian Pacific Economic Cooperation (APEC)]. Through interaction with foreign officials at the regional level, best practices in transportation security can be advanced to achieve our vision of a secure, global transportation system.

TSA Representatives (TSARs) serve as the on-site coordinator for the TSA response to terrorist incidents and threats to U.S. assets at foreign transportation modes. The TSARs serve as principal advisors on transportation security affairs to U.S. Ambassadors and other embassy officials responsible for transportation issues to ensure the safety and security of the transportation system.

TSA implements the Foreign Air Carrier Program (FACP), in accordance with 49 CFR Part 1546, which requires non-U.S. air carriers, landing or taking off in the United States, to adopt and carry out a security program for each scheduled and public operation meeting specific seating capacity and/or airport access criteria. Such non-U.S. air carriers are assigned an International Principal Security Inspector (IPSI). TSA IPSIs coordinate the sharing of aviation security related requirements, intelligence, incidents; and/or threat information affecting passengers, air carriers, the United States, and civil aviation worldwide.

The Foreign Airport Assessment Program and Air Carrier Inspection Program for foreign airports differ significantly from domestic operations. During airport assessments conducted in foreign countries, International Aviation Security Inspectors focus on application of International Standards and Recommended Practices (SARPs) defined by the International Civil Aviation Organization, to which nearly 190 countries are signatories. Each foreign airport assessment, mandated under 49 United States Code 44907, requires four weeks to complete in its entirety. During FY 2005, 143 assessments were conducted.

TSA will conduct security audits on all FAA certificated (14 CFR Part 145) repair stations located in foreign countries through its Foreign Repair Station Program (FRSP) as mandated by Vision-100, enacted in December 2003. In FY2006 these audits were funded as a separate PPA within Aviation direction and enforcement.

PPA: AIRPORT MANAGEMENT, IT AND SUPPORT

	Perm Pos	FTE	Amount
2005 Actual	**2,381**	**2,172**	**$483,294**
2006 Revised Enacted	**2,085**	**2,085**	**682,173**
2007 Adjustments-to-Base	...	...	(16,141)
2007 Current Services	**2,085**	**2,085**	**666,032**
2007 Program Change	...	...	...
2007 Request	**2,085**	**2,085**	**666,032**
Total Change 2006-2007	...	...	(16,141)

TSA requests $666 million for this activity. This is a decrease of $16.1 million from FY 2006 to re-align base resources to higher priorities.

CURRENT SERVICES PROGRAM DESCRIPTION:

In FY 2007, of the $666 million requested for this PPA, $267.7 million supports approximately 2,100, positions. Approximately 1,800 positions comprise the staff of the 158 Federal Security Directors (FSDs) and nearly 300 Security Operations positions direct the policy, analysis, and administration of aviation screening. FSD staffs and Security Operations positions are critical to supporting the front line operations of our TSOs.

This funding supports the salaries and benefits of these positions, as well as travel, training, and contract requirements to support the staff. In order to streamline the administrative operations and gain efficiency at the airports, larger airports have been designated as hubs. These hubs provide security direction, administrative support, and staffing/personnel as needed to smaller, lower staffed airports (spokes). Frequent travel is required by the FSD and staff between the hubs and spoke airports. Funding of airport management and staff will provide the proper direction, support and staff at the spokes to ensure efficient and effective operations.

While the aviation business model changes and discount airlines continue to grow, TSA must be able to provide support as the airports expand. TSA will be a valuable partner in the planning

and design of security at airports through assistance with checkpoint redesigns and perimeter security. FSD and staff will continue to build relationships with airport officials, airlines, local law enforcement, and Joint Terrorism Task Force officials.

Airport management and staff have developed operational strategies to make the screening process more efficient for the traveling public especially during peak travel seasons. They will continue to be the central reference point on policy development, information technology, training, performance management, finance, and human resources to support the mission of TSA.

The Office of the Chief Information Officer (OCIO) maintains the IT and telecommunications infrastructure support and services for all of the TSA. The FY 2007 base request for these activities is $257 million. Approximately 220 airport and field locations have completed full IT Infrastructure installation, to include high-speed network connectivity (Hi-SOC), while all others continue to operate on minimalist IT capability, which includes only dial-up access to TSA systems. OCIO manages a comprehensive and enterprise-wide IT managed services solution that assists TSA in meeting its mission responsibilities. In FY 2006 TSA permanently shifted its base to support various service levels required in a number of categories of effort. These include, but are not limited to:

- Operational Data Center
- Communications network
- Wireless equipment
- National Helpdesk
- Federal Security Director support
- Airport IT support
- Land Mobile Radio Rollout
- Security Incident Response
- Checked Baggage and Passenger Screening Data
- Performance management data analysis

The core of IT capability is provided through a managed service contract. The managed services model offers the prospect of long-term cost efficiencies and the provision of state-of-the-art technologies for services and equipment. The Information Technology Managed Services (ITMS) program will continue to maintain the IT and telecommunications infrastructure support and services for all TSA employees including:

- IT Seats/Head Seats: Office Automation hardware, software and services needed for the TSA workforce to perform their duties and responsibilities. There are a number of different combinations of IT seats to include: Secure Communications Seats; Training Seats; Red Package (dial-up) Seats; White Package (network) Seats; Voice Over Internet Protocol (VOIP) Seats; Government Furnished Equipment Seats; and TSO Workforce Head Seats. These Seats provide Office Automation assets to the TSA Headquarters, Federal Security Directors, International TSA personnel, General Counsel, TSO Workforce, and contractors supporting TSA.

- TSA Functional Center Support: to the TSA Operations Center; Consumer Response Center; FSD Crisis Action Centers; Regional Training Centers; Artesia Training Center;

Oklahoma Training Center; Federal Law Enforcement Training Center; Mission Support Centers; TSA Technical Center (Atlantic City); Airport Training Centers; and the IT Coordination Center.

- Program Contractor Support: contractor support that is not part of the core ITMS program and provides desk-side Office Automation support. This contractor support includes a Rapid Response Team for emergency situations and 100 contractors assigned to the 81 Category X and 1 FSD offices/airports, the Federal Law Enforcement Training Center, Oklahoma Training Center, Artesia Training Center, Office of National Risk Assessment, three for international locations, four for Command Center support, five for TSA Headquarters support, and three assigned to the IT Coordination Center.

- Miscellaneous Office Automation: additional areas required to support Office Automation Deployment and Refresh to include: Commercial Off The Shelf (COTS) Provisioning/Deployment, GFE Equipment Processing, Installation Move Add Charges (IMAC), Deployment Travel, Deployment Refresh, Replacement of Lost/Stolen Equipment, Provisioning of 508 Compliant IT Equipment, and Other Direct Charge funding to purchase small dollar IT items that are not conducive to a managed service (zip drives, cables, surge protectors, CD/RW, etc.).

Hi-SOC operation is a prerequisite to deployment of mission critical applications, including but not limited to:

- Threat Image Protection Network (TIP)
- Electronic Surveillance System (ESS)
- TSO Scheduling System (SABRE)
- Human Resource Capabilities- including NextGen HR
- Transportation Workers Identification Card (TWIC)
- Integrated multi-media messaging such as Land Mobile Radio (LMR)

In FY 2006, $120 million will be used to deploy Hi-SOC to all Category X and I airports and preliminary high-speed connectivity to all Category II, III, and IV airports. A total of $90 million is required to support this effort in FY 2007. Of this total, $54 million is required to complete deployment of all Hi-SOC features to the Category II, III, and IV airports. The remaining funding will support operations and maintenance costs including recurring costs for routers, switches, circuits, and cabinets, racks, and network monitoring.

A total of $93.5 million is requested for rent payments and furniture for TSA's field offices throughout the United States (including FSD and TSO staff locations). TSA will be able to maintain a fleet of vehicles and provide transit and parking benefits for field office employees within base funding of $17.5 million. At the base level funding of $2.9 million, TSA will continue to operate and maintain the SABRE scheduling system that enables efficient and timely scheduling of TSOs and associated personnel at airports.
A total of $12.2 million will support the Transportation Security Operations Center (TSOC) to fulfill TSA's responsibilities established in ATSA. The TSOC serves as TSA's 24/7 operations center (command center) for transportation security-related operations, incidents, or crises. The TSOC correlates and fuses real-time intelligence and operational information, ensuring unity of

command and action in the prevention of and response to terrorist-related incidents across all transportation modes -maritime, land, and aviation.

TSOC operations are being integrated with other operations centers across the Department such as the central Homeland Security Operations Center (HSOC). HSOC decisions provide the U.S. public with increased speed and capabilities to respond to nationwide transportation terrorist threats. TSOC's scope covers transportation across the national transportation infrastructure, except for the maritime environment.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

PPA: FFDO AND FLIGHT CREW TRAINING

	Perm Pos	FTE	Amount
2005 Actual	**25**	**14**	**$19,331**
2006 Revised Enacted	**25**	**25**	**30,328**
2007 Adjustments-to-Base	...	...	142
2007 Current Services	**25**	**25**	**30,470**
2007 Program Change	...	...	...
2007 Request	**25**	**25**	**30,470**
Total Change 2006-2007	...	...	142

The Transportation Security Administration requests $30.5 million for this activity. This is an increase of $142,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

TSA is mandated to provide a Federal Flight Deck Office (FFDO) program to deputize qualified airline pilots as federal law enforcement officers to defend the flight decks of aircraft against acts of criminal violence or air piracy. This voluntary program provides training in firearms proficiency, self-defense tactics, authorities, and decision making to defend the cockpit. While the exact numbers of trainees is sensitive information, the program has been successful in deputizing thousands of airline pilots flying tens of thousands of mission legs each month throughout the nation. FY 2006 marks the beginning of the recurrent training of initial deputized pilots to refresh their skills. The FY 2007 request of $27 million will fund initial training, firearms requalification training, and recurrent training required to sustain FFDO levels.

TSA is also mandated to provide a Crew Member Self Defense (CMSD) for flight and cabin crew members. This program is also a volunteer training regimen. It provides incident awareness, decision making, and self-defense skills to volunteer crewmembers from throughout the nation. About 1,000 flight and cabin crew have been trained to date. The FY 2007 request of $3.5 million will continue this training.

PPA: AIR CARGO

	Perm Pos	FTE	Amount
2005 Actual	**200**	**160**	**$27,062**
2006 Revised Enacted	**246**	**246**	**54,691**
2007 Adjustments-to-Base	...	54	309
2007 Current Services	**300**	**300**	**55,000**
2007 Program Change	...	...	...

2007 Request	**300**	**300**	**55,000**
Total Change 2006-2007	...	54	309

The Transportation Security Administration requests $55 million for this activity. This is an increase of $309,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This program is responsible for securing the air cargo supply chain including cargo, conveyances, and people. An estimated 23 billion pounds of cargo is shipped within the United States by air annually. About three-quarters of this amount are transported via all-cargo aircraft, while the reminder travels aboard passenger aircraft. The program operates through compliance activities, policy initiatives and technology implementation. Safeguarding the nation's critical air cargo transportation infrastructure is a shared public and private sector responsibility. Significant regulatory and outreach effort is required. TSA has implemented a threat-based risk management approach for prioritizing efforts and focusing resources. The Air Cargo Strategic Plan outlined an approach for securing the air cargo transportation system based on two threats: introduction of an explosive device on a passenger aircraft, and the hijacking of an all-cargo aircraft resulting in its use as a weapon of mass destruction.

In FY 2005, the air cargo program hired 100 additional cargo inspectors, expanded the use of canine resources in screening cargo at 85 airports nationwide, and conducted over 20,000 inspections of foreign and domestic air carriers and indirect air carriers (IACs). Express parcel shipments were routinely screened by TSA at over 250 airports. Twelve cargo strikes were conducted at airports responsible for over one-half of total air cargo volume, totaling over 1,200 inspections. Over 2,500 outreach events were conducted. Certifications were issued or renewed for over 3,500 IACs. In FY 2006, TSA will field an additional 100 inspectors and in FY 2007 will continue these efforts and begin deployment of the Freight Assessment System to identify elevated risk cargo and enable a supply chain risk management model. Continued development and implementation of the Known Shipper Management System will improve the vetting of known shippers designated by industry. The Air Cargo Final Rule is expected to be implemented to further strengthen security by mandating specific items for industry compliance.

PPA: AIRPORT PERIMETER SECURITY

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	...	...	**4,972**
2007 Adjustments-to-Base	...	...	(4,972)
2007 Current Services	...	...	...
2007 Program Change	...	...	...
2007 Request	...	...	...
Total Change 2006-2007	...	...	(4,972)

The Transportation Security Administration does not request funding for this activity in FY 2007. This funding will be used for pilot programs that will be completed in FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The perimeter security pilot programs will consist of one or more projects at airports to demonstrate security technologies that will address security requirements at both intended access points (such as vehicle gates), perimeter boundaries, and the terminal. The pilot projects will propose technologies that will provide new perimeter security capabilities or significantly enhance current technology based capabilities. TSA expects responsive projects to include perimeter sensors, intelligent camera systems, biometric devices, technologies to detect and track potential intruders, and communication capabilities to provide appropriate alarm and response notification. TSA will utilize the results of this project to continue to develop processes, procedures, technical requirements, and standards for perimeter security.

PPA: FOREIGN REPAIR STATIONS

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**15**	**15**	**2,983**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	...	...	...
2007 Program Change	...	...	...
2007 Request			
Total Change 2006-2007	(15)	(15)	(2,983)

The Transportation Security Administration has included funding for this activity in FY 2007 in the Aviation Regulation and Enforcement PPA.

CURRENT SERVICES PROGRAM DESCRIPTION:

The FY 2006 current services level supports the hiring of inspectors to ensure that Foreign and Domestic Repair Stations are inspected. Once these inspectors are on board, they will initially be deployed to domestic airports to facilitate inspections at both domestic and international foreign repair statements.

FEE: AVIATION PASSENGER SECURITY FEE *(includes $250 million set aside for the Aviation Security Capital Fund)*

	Perm Pos	FTE	Amount
2005 Actual	...	...	**1,866,321**
2006 Revised Enacted	...	...	**1,910,000**
2007 Adjustments-to-Base	...	...	95,345
2007 Current Services	...	...	**2,005,345**
2007 Program Change	...	...	1,336,861
2007 Request	...	...	**3,342,206**
Total Change 2006-2007	...	...	1,417,206

TSA proposes a restructuring of the airline security passenger fee for a total of $3.34 billion which will provide further offset toward recovering costs for federal aviation security operations. This is an increase of $1.42 billion over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

TSA proposes a provision that will restructure the September 11th Passenger Security Fee – passenger fee. Under the FY 2006 fee structure, passengers pay $2.50 per enplanement for a maximum of $5.00 per one-way trip and $10 per round trip. The FY 2007 Budget proposes to replace the two-tiered fee with a single flat security fee of $5.00 for a one-way trip. This is consistent with the screening process whereby passengers generally only pass through security once. Furthermore, the new fee structure would resolve the concern of rural passengers who believe they are currently charged twice because such passengers nearly always fly two or more legs per one-way trip.

FEE: AVIATION SECURITY INFRASTRUCTURE FEE (ASIF – Air Carrier Fee)

	Perm Pos	FTE	Amount
2005 Actual	...	...	**307,000**
2006 Revised Enacted	...	...	**350,000**
2007 Adjustments-to-Base	...	...	98,000
2007 Current Services	...	...	**448,000**
2007 Program Change	...	...	196,000
2007 Request	...	...	**644,000**
Total Change 2006-2007	...	...	329,000

TSA proposes a total of $644 million in the Aviation Security Infrastructure fee collections to provide further offset toward recovering costs for federal aviation security operations. This is a total increase of $329 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

In FY 2002, the Air Carrier Fee was assessed on the basis of an air carrier's 2000 passenger and property screening costs. In its 2005 report on this fee, GAO determined that the air carriers should be paying annual fees of $425 to $471 million compared with the $315 million they had been paying. TSA has utilized GAO's methodology as the basis to determine total industry costs. Choosing the mid-point of this range results in an annual fee collection of $448 million

For FY 2007, TSA anticipates collecting the full $448 million as well as collecting an additional $196 million from air carriers. The $196 million is from ASIF's assessed for FY 2005 and FY 2006 but not yet paid.

IV. Program Justification of Changes

Department of Homeland Security
Transportation Security Administration (TSA)
Aviation Security
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Performance Accountability and Standards System - TSO Workforce Performance Management System

Strategic Goal(s) & Objective(s): Reduce the probability of a successful terrorist or other criminal attack to the air transportation system by improved screening of passengers and baggage with an effective, high performing workforce.

PPA: TSO Staffing and Operations

Program Increase: Positions 0 FTE 0 Dollars $10,000

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							47,125	44,121	**$2,458,564**
Program Increase							0	0	10,000
Total Request	**48,032**	**45,690**	**2,286,211**	**47,156**	**44,156**	**2,390,476**	**47,125**	**44,121**	**$2,468,564**

Description of Item

TSA requests a $10 million program increase for screener retention programs. TSA will seek to fully utilize workforce retention flexibilities, to potentially include pay-for-performance, performance bonuses, retention allowances, college credit reimbursement, and flexible staffing.

Justification

TSA's screener workforce exhibits a high rate of attrition, in excess of 20% for full-time screeners and in excess of 50% for part-time screeners. This, in turn, leads to higher recruitment and training costs to replace these departing screeners, with a corresponding reduction in airport security due to the large turnover of trained and experienced personnel. TSA intends to implement compensation incentives in order to improve retention for its most important asset - its screener personnel.

One of TSA's most promising new programs is the development of the Performance Accountability and Standards System (PASS). The PASS is one element of TSA's overarching Human Capital initiative which is designed to strengthen the performance of the TSO. ATSA states that "The Under Secretary for Transportation Security shall establish a performance

management system which strengthens the organization's effectiveness by providing for the establishment of goals and objectives for managers, employees, and organizational performance, consistent with the performance plan." PASS would meet the ATSA mandate and would give TSOs, Lead and Supervisory TSOs, and Screening Managers a clear understanding of what performance standards are expected of them, how their performance links to organizational goals; who will evaluate their performance; how their performance will be evaluated; and, what salary increases they can expect associated with the standard of performance they achieve.

The PASS is a performance management system that will rate TSOs on four levels (as opposed to the current pass/fail system) starting in FY 2006: *Does Not Meet Standards*; *Achieves Standards*; *Exceeds Standards*; and, *Role Model of Excellence*. In order for TSA to implement the PASS, a pay-incentive funding pool would support graduated, pay-for-performance salary increases for employees who earn an *Achieves Standards* rating, or higher, based on their FY 2006 performance, and would be awarded dependent upon available funding.

Impact on Performance (Relationship of Increase to Strategic Goals

The PASS will have meaningful and lasting impact on numerous operational and strategic programs that stretch across TSA. The most significant impact will be that every TSO, Lead and Supervisory TSO, and Screening Manager will have a clear understanding of the individual performance that is expected of them and that individual performance is linked to mission-critical organizational performance. Other positive impacts of PASS are:

- A lower rate of voluntary attrition. Since the screening workforce will now see performance-based opportunities for pay increases, TSA should achieve decreases in this population's voluntary attrition rate.
- A more knowledgeable and skilled screening workforce. With decreases in the voluntary attrition rate, TSA should achieve increases in the knowledge and skill levels of the screening workforce.
- More efficient use of resources:
    - With decreases in the voluntary attrition rate, TSA should achieve lower recruitment and training costs.
    - With increases in the knowledge and skill levels of the screening workforce, TSA should achieve decreases in costs associated with recertification because fewer employees will need remediation and retesting.
    - Because of strengthened readiness-for-duty metrics, TSA should achieve decreases in costs associated with employees taking unapproved leave or leave without pay.
- Improved performance. With increases in the knowledge and skill levels of the screening workforce, and by retaining a seasoned screening workforce, TSA should achieve improved Threat Image Projection (TIP) results and better covert testing results at both the national level (TSA IA, and GAO) and the local level.
- Better workforce morale. Both the 2004 Organizational Assessment Survey and the 2005 Federal Human Capital Survey indicated that a primary cause of low morale in TSA's screening workforce was the respondents' perception that TSA fails to link employee performance with annual pay increases. PASS is a robust pay-for-performance system

and its implementation should eliminate this perception and TSA should achieve an increase in employee morale.

Program Increase 2: Workers Compensation

Strategic Goal(s) & Objective(s): Reduce the probability of a successful terrorist or other criminal attack to the air transportation system by improved TSO of passengers and baggage with an effective workforce.

PPA: TSO Staffing and Operations

Program Increase: Positions 0 FTE 0 Dollars $20,000

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							47,125	44,121	**$2,458,564**
Program Increase							0	0	20,000
Total Request	**48,032**	**45,690**	**2,286,211**	**47,156**	**44,156**	**2,390,476**	**47,125**	**44,121**	**$2,478,564**

Description of Item

This requested increase would enable TSA to reimburse the Department of Labor Office of Worker's Compensation Program (OWCP) for claims filed by TSA employees through FY 2005.

Justification

In FY 2006, TSA's base includes $35 million of funds for worker's compensation payments. This was based upon actual U.S. Department of Labor Office of Worker's Compensation Program (OWCP) billings for claims filed by TSA employees in FY 2004. The FY 2007 budget requires a total of $55 million for worker's compensation payments for claims filed by TSA employees in FY 2005.

Impact on Performance (Relationship of Increase to Strategic Goals)

TSA is vigorously working to mitigate our OWCP costs through strategies of prevention, education, case management, and nurse intervention. We expect that direct safety support to airports, which started in FY 2005, will aid in the establishment of local safety programs targeted at inspections, hazard recognition and analysis, hazard abatement, and injury documentation. We anticipate that this effort will result in both injury and cost reduction in the out years. TSA will continue the cost-saving case management and nurse intervention programs which began in FY 2004 and were expanded in FY 2005, with an eye toward better identifying and tracking our worker's compensation caseload.

Program Increase 3: Checkpoint Support

Strategic Goal(s) & Objective(s): Reduce the probability of a successful terrorist or other criminal attack to the air transportation system by improved TSO of passengers and baggage with an effective workforce.

PPA: Checkpoint Support

Program Increase: Positions 0 FTE 0 Dollars $8,366

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	[redacted]			[redacted]			0	0	**$165,000**
Program Increase	[redacted]			[redacted]			0	0	8,366
Total Request	**0**	**0**	**$89,256**	**0**	**0**	**$164,072**	**0**	**0**	**$173,366**

Description of Item

This funding request will enhance the detection capability of prohibited items, especially firearms and explosives, by fielding additional sensors such as whole body imaging systems, automated explosive spot samplers, and cast and prosthesis scanners at the checkpoint.

Justification

Equipment using new detection technology will be piloted in FY 2006 and constitutes one segment of a multi-faceted approach to more effective and efficient passenger screening. In addition to improved and integrated sensors, the TSA is performing a risk value assessment on the resources associated with passenger screening. Included in this assessment are the redesign of checkpoints, detection equipment, and a review of the screening protocols.

TSA proposes a $3.4 million increase to implement the results of this assessment. This increase will support the purchase and installation of an additional 28 TRXs, 22 cast and prosthetic scanners, and an additional $1 million for checkpoint reconfiguration activities.

TSA proposes a $4.9 million increase to support the maintenance of checkpoint technology to ensure that the enhanced equipment is fully operational and compliant.

Impact on Performance (Relationship of Increase to Strategic Goals)

TSA's TSO effectiveness and efficiency would increase significantly, and a critical security gap would be mitigated.

Program Increase 4: EDS/ETD Maintenance

Strategic Goal(s) & Objective(s): Reduce the probability of a successful terrorist or other criminal attack to the air transportation system by improved screening of checked baggage.

PPA: EDS / ETD Maintenance

Program Increase: Positions 0 FTE 0 Dollars $34,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	**$200,000**
Program Increase							0	0	34,000
Total Request	**0**	**0**	**194,707**	**0**	**0**	**198,875**	**0**	**0**	**$234,000**

Description of Item

This increase in funding will support the maintenance of EDS systems that help prevent catastrophic loss and air piracy. EDS provides a higher probability of detection over a broader range of explosives than other screening methods. The ability to find threats in transportation venues is key to eliminating their destructiveness or mitigating their results. Currently enacted funding levels have proved inadequate to optimally maintain deployed equipment; threatening to negate the technology's benefits.

Justification

This funding is required to sustain deployed security equipment at our nation's airports. Without this funding, preventative maintenance and corrective maintenance of existing EDS systems will not be performed at optimal levels and the risks to the traveling public will increase significantly.

EDS/ETD system sustainment, maintenance and the associated utility costs are fundamental requirements. If all security screening equipment is to be operationally ready and supportable over its anticipated lifetime, investment in preventative and corrective maintenance is critical. TSA purchased the majority of its passenger and baggage screening equipment prior to December 2002. The manufacturer's warranties have expired, and TSA must bear the full cost of operating and maintaining the equipment. TSA's maintenance requirements by FY 2007 will consist of over 1,944 EDS and 6,932 ETD units (not to include 1,653 ETDs at the passenger checkpoints, which are funded from Checkpoint Support) deployed to over 448 airports nationwide.

The agency continues to monitor contract costs for these services and seek other opportunities to control costs. Under the current maintenance contracts, TSA has achieved a 20% reduction in per-machine maintenance costs compared with pre-FY05 levels.

Base funding of $200 million and $34 million in additional follow-on funding is requested to maintain equipment in FY 2007. Total maintenance costs are projected to be $217.6 million as illustrated in the following table and utility costs are projected to be $16.4 million.

Equipment Quantities		Unit Cost to Maintain	Field Cost to Maintain
EDS			
CTX-2500	141	$65,337.65	$9,212,608.41
CTX-5500	520	$75,906.33	$39,471,293.73
CTX-9000	351	$98,967.12	$34,737,458.21
e6000	583	$103,795.27	$60,512,644.33
Reveal	72	$49,749.00	$3,581,928.00
ETD			
EGIS 3000	2	$12,666.28	$25,332.56
EGIS II	531	$12,897.33	$6,848,482.23
400A	301	$10,334.88	$3,110,798.88
400AE	6	$10,334.88	$62,009.28
400B	4199	$8,425.44	$35,378,422.56
Itemiser-W	3222	$7,665.20	$24,697,274.40
			$217,638,252.59

Impact on Performance (Relationship of Increase to Strategic Goals)

EDS technology affords the ability to screen by sampling a broader range of threats to the traveling public and provides a higher probability of detection. Consistent with Congressional direction, TSA continues to deploy EDS technology to additional airports throughout the nation, thereby increasing the probability of detection.

Program Increase 5: Aviation Passenger Security Fee (includes $250 million set aside for the Aviation Security Capital Fund)

Strategic Goal(s) & Objective(s): Implement effective stewardship of resources

FEE: Aviation Passenger Security Fee

Program Increase: Positions 0 FTE 0 Dollars $1,336,861

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									2,005,345
Program Increase									1,336,861
Total Request			**1,866,321**			**1,910,000**			**3,342,206**

Description of Item

TSA proposes a provision that will restructure the September 11th Passenger Security Fee – passenger fee. This would change the airline passenger security fee to a $5.00 flat fee per one-way trip, regardless of the number of segments flown by a passenger.

Justification

Under the FY 2006 fee structure, passengers pay $2.50 per enplanement for a maximum of $5.00 per one-way trip and $10 per round trip. The proposed fee structure calls for a flat fee of $5.00 for all air travelers for one-way travel from United States airports. The flat fee of $5.00 matches the fee paid by most rural air travelers or those with connecting flights for one-way travel, and increases by $2.50 the fee paid by air travelers flying on direct flights or only one enplanement. The restructuring responds to congressional feedback from last year and better aligns the share of costs paid by the direct beneficiaries of aviation security, the commercial air travelers, to the cost incurred by TSA in meeting the special role of the federal government in providing transportation security in the aviation mode. The budget request assumes $1.3 billion additional collections in FY07 associated with the change to the flat fee benchmarked to the $5.00, which is the FY 2006 cap on two or more enplanements on a one-way trip. Because the fee for aviation security will apply to all passengers, it will be a fixed amount, collected from passengers by their carrier and remitted to the federal government to offset the cost of providing secure air travel.

Impact on Performance (Relationship of Increase to Strategic Goals)

The additional fees will help defray the cost of providing federal aviation security, and will lessen the burden of the general tax payer from fully funding the cost of aviation security.

Program Increase 6: Aviation Security Infrastructure Fee (ASIF – Air Carrier Fee)

Strategic Goal(s) & Objective(s): Implement effective stewardship of resources

FEE: Aviation Security Infrastructure Fee

Program Increase: Positions 0 FTE 0 Dollars $196,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									448,000
Program Increase									196,000
Total Request			**644,000**			**350,000**			**644,000**

Description of Item
For FY 2007, TSA anticipates collecting $448 million as well as collecting $196 million from air carriers. The $196 million is from additional ASIF's assessed for FY 2005 and FY 2006 back payments.

Justification
On January 3, 2006, TSA issued letters to 43 air carriers requiring collection of additional ASIF for calendar year 2005. TSA estimates that it will collect $98 million from the air carriers for FY 2005 and for FY2006 payments. TSA anticipates carriers appealing these assessments and given the complex administrative review process, TSA expects collections to begin not earlier than FY 2007.

Impact on Performance (Relationship of Increase to Strategic Goals)
The additional fees will help defray the cost of providing federal aviation security, and will lessen the burden of the general tax payer from fully funding the cost of aviation security.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Transportation Security Administration
Justification of Proposed Changes in Aviation Security
Appropriation Language

For necessary expenses of the Transportation Security Administration related to providing civil aviation security services pursuant to the Aviation and Transportation Security Act (Public Law 107–71; 115 Stat. 597; 49 U.S.C. 40101 note), [$4,607,386,000] ***$4,654,884,000***, to remain available until September 30, [2007] ***2008***, of which not to exceed $3,000 shall be for official reception and representation expenses: *Provided,* [That of the total amount made available under this heading, not to exceed $3,605,438,000 shall be for screening operations, of which $175,000,000 shall be available only for procurement of checked baggage explosive systems and $45,000,000 shall be available only for installation of checked baggage explosive detection systems; and not to exceed $1,001,948,000 shall be for aviation security direction and enforcement presence: *Provided further,*] That security service fees authorized under section 44940 of title 49, United States Code, shall be credited to this appropriation as offsetting collections and shall be available only for aviation security: *Provided further,* That the sum herein appropriated from the General Fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year [2006] ***2007,*** so as to result in a final fiscal year appropriation from the General Fund estimated at not more than [$2,617,386,000] ***$918,678,000***: *Provided further,* That any security service fees collected in excess of the amount made available under this heading shall become available during fiscal year [2007] ***2008***: *Provided further,* That notwithstanding section 44923 of title 49, United States Code, the share of the cost of the Federal Government for a project under any letter of intent shall be 75 percent for any medium or large hub airport and ***not more than*** 90 percent for any other airport, and all funding provided by section 44923(h) of title 49 United States Code, or from appropriations authorized under section 44923(i)(1) of title 49 United States Code, may be distributed in any manner deemed necessary to ensure aviation security and to fulfill the Government's planned cost share under existing letters of intent: [*Provided further,* That heads of Federal agencies and commissions shall not be exempt from Federal passenger and baggage screening:] *Provided further,* That ***beginning in fiscal year 2007 and thereafter,*** reimbursement for security services and related equipment and supplies provided in support of general aviation access to the Ronald Reagan Washington National Airport shall be credited to this appropriation and shall be available until expended solely for these purposes: [*Provided further,* That none of the funds in this Act shall be used to recruit or hire personnel into the Transportation Security Administration which would cause the agency to exceed a staffing level of 45,000 full-time equivalent screeners]. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

Changes to funding levels reflect adjustments to the base.

The first change reflects the proposed consolidation of the EDS/ETD Systems PPA's to provide the flexibility needed to address changes in requirements as screening compliance issues arise or passenger growth patterns change. Funding requirements will also change as new technology is certified that is less expensive, thereby shifting the resource needs of installation and purchase funding. The findings of the innovative cost-share study for EDS could also shift the need for resources between these areas.

The addition of the "not more than" 90 percent cost-share allows the flexibility for other cost-share amounts for a future letter of intent.

The language proposes to delete the reference to heads of Federal agencies and commissions not being exempt from screening. TSA prefers to make risk-based decisions on the screening of passengers.

The 45,000 TSO cap is proposed for deletion because neither the FY 2006 enacted level nor the FY 2007 request for TSO personnel, compensation, and benefits supports a workforce of this size.

B. FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
FY 2006 to FY 2007 Budget Change[1]
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual (includes Aviation Security Capital Fund and Alien Flight School)	**52,111**	**48,989**	**$4,509,388**
2006 Revised Enacted	**51,275**	**48,540**	**4,581,412**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	---	---	22,602
2007 pay increase	---	---	52,794
Total Increases	---	---	75,396
Decreases			
Termination of one-time costs	---	(20)	(74,290)
Total Decreases	---	(20)	(74,290)
Total Adjustments-to-Base	---	**(20)**	**1,106**
2007 Current Services	**51,275**	**48,520**	**4,582,518**
Program Changes			
Program Increases/(Decreases)			
TSO Retention			10,000
Workers Compensation			20,000
Checkpoint Support	---		8,366
EDS/ETD Maintenance			34,000
Total Program Changes	---	---	**72,366**
2007 Request	**51,275**	**48,520**	**4,654,884**
2006 to 2007 Total Change	---	**(20)**	**73,472**

[1]FY 2006 Revised Enacted and FY 2007 Request in the Budget Appendix were reported erroneously in MAX. Above information reflect corrected amounts.

C. Summary of Requirements

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	52,111	48,989	$4,509,388
2006 Enacted	51,275	48,540	4,581,412
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	75,396
Decreases	---	(20)	(74,290)
Total Adjustments-to-Base	---	(20)	1,106
2007 Current Services	51,275	48,520	4,582,518
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	72,366
2007 Total Request	51,275	48,520	4,654,884
2006 to 2007 Total Change	---	(20)	73,472

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Screening Partnership Program	---	---	138,868	---	---	9,732	---	---	---	---	---	$148,600	---	---	$9,732
2 Passenger TSO PC&B	29,607	28,448	1,511,393	---	(22)	25,933	---	---	18,900	29,607	28,426	1,556,226	---	(22)	44,833
3 Baggage TSO PC&B	17,388	16,708	879,027	---	(13)	23,847	---	---	11,100	17,388	16,695	913,974	---	(13)	34,947
4 TSO Training		---	87,509	---	---	491	---	---	---	---	---	88,000	---	---	491
5 Passenger TSO Other		---	23,618	---	---	(266)	---	---	---	---	---	23,352	---	---	(266)
6 Baggage TSO - Other		---	134,036	---	---	(922)	---	---	---	---	---	133,114	---	---	(922)
7 Human Resource Services		---	206,068	---	---	1,166	---	---	---	---	---	207,234	---	---	1,166
8 Checkpoint Support		---	164,072	---	---	928	---	---	8,366	---	---	173,366	---	---	9,294
9 EDS/ETD Purchase		---	174,016	---	---	(83,016)	---	---	---	---	---	91,000	---	---	(83,016)
10 EDS/ETD Installation		---	44,747	---	---	49,253	---	---	---	---	---	94,000	---	---	49,253
11 EDS/ETD Maintenance		---	198,875	---	---	1,125	---	---	34,000	---	---	234,000	---	---	35,125
12 Operation Integration		14	22,871	---	---	129	---	---	---	---	14	23,000	---	---	129
13 Aviation Regulation and Other Enforcement	999	999	221,165	(24)	(24)	(3,649)	---	---	---	975	975	217,516	(24)	(24)	(3,649)
14 Airport Management, IT and Support	2,554	2,085	682,173	---	---	(16,141)	---	---	---	2,554	2,085	666,032	---	---	(16,141)
15 Federal Flight Deck Ofcr. & Flt. Crew Trng.		25	30,328	---	---	142	---	---	---	---	25	30,470	---	---	142
16 Air Cargo	194	246	54,691	---	54	309	---	---	---	194	300	55,000	---	54	309
17 Foreign and Domestic Repair Stations		15	2,983	---	(15)	(2,983)	---	---	---	---	---	---	---	(15)	(2,983)
18 Airport Perimeter Security		---	4,972	---	---	(4,972)	---	---	---	---	---	---	---	---	(4,972)
Total	50,742	48,540	$4,581,412	(24)	(20)	$1,106	---	---	$72,366	50,718	48,520	$4,654,884	(24)	(20)	$73,472

D. Summary of Reimbursable Resources

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Summary of Reimbursable Resources[1]
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
RA-USSS	---	---	$250	---	---	$250	---	---	$250	---	---	---
DOT/International Affairs	---	---	248	---	---	250	---	---	250	---	---	---
FEMA/Hurricane Katrina	---	---	455	---	---	---	---	---	---	---	---	---
Misc Anticipated Agreements	---	---	2	---	---	1,500	---	---	1,500	---	---	---
Total Budgetary Resources	---	---	**955**	---	---	**2,000**	---	---	**2,000**	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Baggage TSO - Other	---	---	$250	---	---	$250	---	---	$250	---	---	---
Aviation Regulation and Other Enforcement	---	---	248	---	---	250	---	---	250	---	---	---
Airport, Management, IT and Support	---	---	457	---	---	1,500	---	---	1,500	---	---	---
Total Obligations	---	---	**955**	---	---	**2,000**	---	---	**2,000**	---	---	---

[1] Reimbursable amounts in the Budget Appendix from FY 2005 - 2007 were reported erroneously in MAX. Above information reflect estimates based on updated data.

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E. Summary of Requirements by Object Class

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Summary of Requirements by Object Class [1]
(Dollars in Thousands)

Object Classes [2]	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$1,896,708	$1,989,874	$2,049,435	$59,560
11.3 Other than full-time permanent	138,251	144,549	149,367	4,819
11.5 Other Personnel Compensation	282,197	294,678	304,490	9,812
11.8 Special Service Pay	3,120	3,273	3,383	110
12.1 Benefits	324,637	341,630	350,194	8,564
Total, Personnel Comp. & Benefits	**$2,644,913**	**$2,774,003**	**$2,856,869**	**$82,865**
Other Object Classes:				
21.0 Travel	33,127	41,371	39,387	(1,984)
22.0 Transportation of things	5,022	221	435	214
23.1 GSA rent	62,509	110,045	105,045	(5,000)
23.2 Other rent	1,037	1,832	1,832	0
23.3 Communications, utilities, & other misc. charges	24,231	44,529	44,889	360
24.0 Printing and reproduction	1,121	239	238	(1)
25.1 Advisory and assistance services	96,355	92,455	92,796	341
25.2 Other services	788,774	709,804	738,803	28,999
25.3 Purchases of goods & svcs. from Gov't accounts	156,580	181,464	180,682	(782)
25.4 Operation & maintenance of facilities	5,131	6,047	6,037	(10)
25.6 Medical care	-	170	182	12
25.7 Operation and maintenance of equipment	188,184	249,944	287,839	37,895
26.0 Supplies and materials	69,924	86,088	86,491	403
31.0 Equipment	219,597	254,673	184,833	(69,841)
41.0 Grants/Subsidies/Contributions	16,204	28,527	28,527	---
Total, Other Object Classes	**$1,667,797**	**$1,807,409**	**$1,798,015**	**($9,393)**
Total, Direct Obligations	**$4,312,710**	**$4,581,412**	**$4,654,884**	**$73,472**
Unobligated balance, start of year	(416,812)	(847,718)	---	
Unobligated balance, end of year	847,718	---	---	
Recoveries of prior year obligations	(110,404)	---	---	
Total requirements	**$4,633,212**	**$3,733,694**	**$4,654,884**	

[1] Excludes ASCF and Alien Flight School Fees
[2] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

F. Permanent Positions by Grade

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	65	59	59	---
L Band	16	15	15	---
K Band	388	354	354	---
J Band	664	606	606	---
I Band	1,372	1,252	1,252	---
H Band	1,310	1,195	1,195	---
G Band	4,801	4,380	4,380	---
F Band	5,874	5,473	5,473	---
E Band	83	76	76	---
D Band	37,537	37,864	37,864	---
B Band	1	1	1	---
Total Permanent Positions	**52,111**	**51,275**	**51,275**	**---**
Unfilled Positions EOY	3,322	---	---	---
Total Perm. Employment EOY	48,789	51,275	51,275	---
FTE	**48,989**	**48,540**	**48,520**	**(20)**
Headquarters	276	271	271	---
U.S. Field	51,794	50,964	50,964	---
Foreign Field	41	40	40	---
Total Permanent Positions	**52,111**	**51,275**	**51,275**	**---**
Average ES Salary	$ 147,761	$ 152,341	$ 157,064	$ 4,723
Average Salary, Banded Positions	$ 35,163	$ 36,253	$ 37,377	$ 1,124
Average Band	E	E	E	

G. Capital Investment and Construction Initiative Listing

TRANSPORTATION SECURITY ADMINSITRATION
AVIATION SECURITY

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
Initiative #1 Electronic Baggage Screening Program (EBSP) and Passenger Screening Program (PSP)	$881.100			Aviation Security	The cost of this initiative is charged out to TSA - Passenger Screening Program (PSP), and TSA - Electronic Baggage Screening Program (EBSP).
Initiative #2 Human Resource Services	$164.503			Aviation Security	The cost of this initiative is charged out to TSA - HR Services - Recruiting (HR1), and TSA - HR Services - Staff Support (HR2).
Total Non-IT Total Non- IT investments $5 million or more	**$1,045.603**				
Total Non-IT initiatives under $5 million	0				
Total Non-IT Investments	**$1,045.603**				
Total of IT Investments	**$624.945**				
Total all IT and Non-IT Investments	**$1,670.548**				

TSA – Electronic Baggage Screening Program (EBSP) and Passenger Screening Program (PSP)

1. Project Description, Justification and Scope

The Electronic Baggage Screening Program (EBSP) seeks to prevent catastrophic loss and air piracy through screening passenger checked baggage while ensuring freedom of movement for people and commerce. EBSP covers all modes of transportation, including aviation, maritime and land, trucking, and rail. The program is designed to oversee and implement the screening of passenger checked baggage to avert threats in various modes, or segments, of the transportation system. The EBSP procures, deploys, integrates, and maintains over 12,000 end items of security equipment at 445 U.S. commercial airports. This investment includes the program management, quality assurance, research and development, acquisition, deployment, installation, maintenance, repair, relocation, in-service upgrade, and life-cycle replacements of baggage screening equipment, disposal of surplus assets, as well as human factors studies of airport operations to improve on-going processes used by TSA. This investment reduces costs and improves the efficiency of security screening by transferring significant tasks from human screeners to machines. Without these automated tools, the effectiveness of security screeners in detecting and preventing the introduction of explosives materials, weapons, and other dangerous articles into commercial aircraft would be substantially reduced. Automated tools reduce costs by reducing the number of security screeners required to screen passengers and baggage. Savings and resources attributable to automation of the inspection process may be reinvested or redeployed to other mission critical priorities of the organization. Security screening automation via EDS machines allows for more thorough threat detection and detection of a wider range of threats than can be achieved by manual inspections. EDS machines also require fewer personnel to screen bags, reducing operating costs over the life of the equipment and requiring less lifting of baggage, thus reducing the number of on-the-job injuries. A physical search done by two screeners can process up to 80 bags per hour. EDS machines increase baggage throughput (425 bags per hour for in-line systems and up to 150 bags per hour for standalone systems under normal operating circumstances) and require only one screener to respond to failure alarms.

The Passenger Screening Program (PSP) is designed to oversee the development and deployment of the technology that screens passengers and their personal property to deter, detect, mitigate and prevent transportation of explosives and weapons on commercial aircraft, and considers screening technology applications to other modes of the transportation system, such as ports and rail stations. The investment in the PSP includes funds for program management, testing, procuring, deploying, integrating, and maintaining the passenger and carry-on baggage security screening equipment used to guard the checkpoints of 445 U.S. commercial airports and other forms of travel across the country, in an effort to prevent catastrophic loss or air-piracy. The PSP is tasked with providing screeners the tools and methods to verify that the individuals who are traveling do not carry any items that could be used as weapons or any other type of threat. The PSP will facilitate the flow of passenger traffic, increase throughput, lower the false alarm rates, and most importantly increase travel security by improving the effectiveness of technologies and screener methodologies, while expanding the scope of threats detectable. Currently, checkpoints do not have the ability to accurately and quickly detect explosives on all passengers; only a minimal number of passengers are directed to a selectee lane for further inspection, where they are manually tested for explosives or subject to a pat down. As a result, many travelers are allowed to pass through the checkpoints without complete testing and detection. It is critical to fill this detection gap in order to satisfy the Strategic Goals of the DHS of leading the unified national effort to prevent and protect the

passengers and commerce of the Nation. In addition, the PSP is developing technologies that would automate the checkpoint process and further increase the effectiveness of currently deployed technologies, which would directly support the President's Management Agenda of strategic management of human capital.

2. Significant Changes

No significant changes from the information provided in the 2006 Congressional Justification.

3. Project Schedule

Projects	Fiscal Quarter and Year				Total Estimated Completion Cost $0	Total Project Cost $0
	Work Initiated	Work Completed	Project Start	Project Complete		
2.0 Concept and Technology Development	1-Oct-05	30-Sep-06			0	
2.1 Program Management	1-Oct-05	30-Sep-06			9.8	
3.1 Program Management	1-Oct-05	30-Sep-06			13.9	
4.3 Hardware	1-Oct-05	30-Sep-06			56.8	
5.0 Operations and Support (Mainteneance)	1-Oct-05	30-Sep-06			38.5	
2.1 Program Management	1-Oct-06	30-Sep-07			9.9	
3.1 Program Management	1-Oct-06	30-Sep-07			14.2	
4.3 Hardware	1-Oct-06	30-Sep-07			58	
5.0 Operations and Support (Maintenance)	1-Oct-06	30-Sep-07			55.5	
2.1 Program Management	1-Oct-07	30-Sep-08			10.1	
3.1 Program Management	1-Oct-07	30-Sep-08			14.5	
4.3 Hardware	1-Oct-07	30-Sep-08			59.6	
5.0 Operations and Support (Maintenance)	1-Oct-07	30-Sep-08			57.6	
1.0 Program Initiation	1-Oct-05	30-Sep-06			0	

	Fiscal Quarter and Year				Total Estimated Completion Cost $0	Total Project Cost $0
	Work Initiated	Work Completed	Project Start	Project Complete		
2.0 Concept & Technology Development	1-Oct-05	30-Sep-06			0	
3.0 Capability Development & Demonstration	1-Oct-05	30-Sep-06			23	
4.0 Production & Deployment	1-Oct-05	30-Sep-06			394	
5.0 Operations & Maintenance	1-Oct-05	30-Sep-06			200	
6.0 Disposal	1-Oct-05	30-Sep-06			0	
1.0 Program Initiation	1-Oct-06	30-Sep-07			0	
2.0 Concept & Technology Development	1-Oct-06	30-Sep-07			0	
3.0 Capability Development & Demonstration	1-Oct-06	30-Sep-07			23	
4.0 Production & Deployment	1-Oct-06	30-Sep-07			446.3	
5.0 Operations & Maintenance	1-Oct-06	30-Sep-07			253.8	
6.0 Disposal	1-Oct-06	30-Sep-07			0	
1.0 Program Initiation	1-Oct-07	30-Sep-08			0	
2.0 Concept & Technology Development	1-Oct-07	30-Sep-08			0	
3.0 Capability Demonstration & Development	1-Oct-07	30-Sep-08			23	
4.0 Production & Deployment	1-Oct-07	30-Sep-08			402	
5.0 Operations & Maintenance	1-Oct-07	30-Sep-08			204	
6.0 Disposal	1-Oct-07	30-Sep-08			0	
Total						

TSA - HR Services - Recruiting (HR1), and TSA - HR Services - Staff Support (HR2)
1. Project Description, Justification and Scope

Section 1 Human Resources services provide for the recruitment, qualification and examination of all categories of employees, excluding Executive level staff and the FAMS. This section includes initial and attrition recruitment (including merit staffing) qualification, examination, testing, and assessment. The workforce is comprised of Security Screeners, Law Enforcement Officers, and other professional, administrative, technical and support personnel. The first contractor was initially selected, but after eight months of service, the contract was recompeted. Cooperative Personnel Services (CPS) was then awarded the contract and currently provides the following HR services as required in the contract:

* Meet all Federal requirements for HR functions
* Provide TSA with the timely hiring of a diverse and well-qualified workforce
* Conduct assessments
* Provide support for employee entry-on-duty processing as directed by TSA
* Maintain professional, accurate, and timely customer service in all dealings
* Communicate effectively and timely with all customers, including candidates, TSA, and other contractors providing related services to TSA
* Maintain accurate records and report timely to TSA on activities performed under the contract
* Meet Federal e-government initiative requirements
* Provide recommendations for accomplishing TSA goals.

Section 2 Human Resources Services are provided by Accenture and requires the contractor to:

* Provide full-service federal HR operations for all TSA employees, excluding Executive level staff and the FAMS, including, but not limited to:
    - Selection of candidates
    - Orientation and entry-on-duty functions
    - Personnel action processing, routing and tracing system and records keeping
    - Creation, maintenance and disposition of Official Personnel Folders
    - Benefits administration
    - Workers' compensation administration
    - Compensation and pay administration
    - Performance management administration
    - HR advisory services
* Provide customer service
* Meet all Federal requirements for HR functions
* Communicate effectively and timely with all customers
* Maintain accurate records and report timely
* Meet Federal e-gov initiative requirements
* Provide recommendations for accomplishing TSA goals

2. Significant Changes

No significant changes from the information provided in the 2006 Congressional Justification.

3. Project Schedule

Projects	Fiscal Quarter and Year				Total Estimated Completion Cost ($000)	Total Project Cost ($000)
	Work Initiated	Work Completed	Project Start	Project Complete		
Establish baseline for the hiring and administrative support of TSA employees	Dec 13, 2002	Dec 31, 2003			49.100	
Recruit and Assess baseline level of Screener and Management Administrative and Professional (MAP) FTPs	Jan 1, 2003	Dec 31, 2003			111.175	
Recruit approximately 12,000 Screeners and MAP FTP to account for staff fluctuations due to attrition	Jan 1, 2004	Dec 31, 2004			112.300	
Hire approximately 12,000 Screener and MAP FTPs. Perform HR Admin functions for TSA employees.	Jan 1, 2004	Dec 31, 2004			43.400	
Recruit approximately 12,000 Screeners and MAP FTP to account for staff fluctuations due to attrition	Jan 1, 2005	Dec 31, 2005			113.300	
Hire approximately 12,000 Screener and MAP FTPs. Perform HR Admin functions for TSA employees.	Jan 1, 2005	Dec 31, 2005			36.700	
Recruit approximately 12,000 Screeners and MAP FTP to account for staff fluctuations due to attrition	Jan 1, 2006	Dec 31, 2006			115.150	
Hire approximately 12,000 Screener and MAP FTPs. Perform HR Admin functions for TSA employees.	Jan 1, 2006	Dec 31, 2006			37.500	
Recruit approximately 12,000 Screeners and MAP FTP to account for staff fluctuations due to attrition	Jan 1, 2007	Dec 27, 2007			116.575	
Hire approximately 12,000 Screener and MAP FTPs. Perform HR Admin functions for TSA employees.	Jan 1, 2007	Dec 13, 2007			38.400	
Total						

H. PPA Budget Justifications

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Screening Partnership Program
Funding Schedule
(Dollars in Thousands)

PPA: Screening Partnership Program		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	35	32	34	2
25.1	Advisory & Assistance Services	17,994	16,393	16,600	207
25.2	Other Services	134,400	122,443	131,966	9,523
	Total	**$152,429**	**$138,868**	**$148,600**	**$9,732**
Full Time Equivalents		---	---	---	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The Screening Partnership Program (SPP) allows an airport operator to submit an application to have screening carried out by a qualified private screening company. The contractor must perform under federal oversight and the contracted screeners must perform at the same or at higher performance levels as federal TSOs.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$35**	**$32**	**$34**	**$2**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $2,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$17,994**	**$16,393**	**$16,600**	**$207**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $207,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$134,400**	**$122,443**	**$131,966**	**$9,523**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $2.6 million in non-pay inflation, and $6.9 million in annualization for privatization transition and federal pay comparability costs.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Passenger TSO PC&B
Funding Schedule
(Dollars in Thousands)

PPA: Passenger TSO PC&B		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions	$1,020,996	$1,025,834	$1,056,283	$30,448
11.3	Other than perm	86,058	86,471	89,032	2,562
11.5	Other per comp	175,679	176,521	181,751	5,229
11.8	Spec Srvc Pay	1,966	1,975	2,034	59
12.1	Benefits	219,539	220,591	227,126	6,535
13.0	Benefits-former	—	—	—	—
	Total	**$1,504,238**	**$1,511,393**	**$1,556,226**	**$44,833**
Full Time Equivalents		28,785	28,448	28,426	(22)

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

Includes all Transportation Security Officer (TSO), TSO Lead, TSO Supervisor, and TSO Manager salaries, benefits and compensation, and net effects of federal pay raise assumptions, transfers out of personnel and annualizations.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,504,238**	**$1,511,393**	**$1,556,226**	**$44,833**

Salaries and Benefits includes an increase of $44.8 million in FY 2007, $25.9 million for the net of the proposed federal pay raise and for the loss of 22 FTE due to the privatization of Sioux Falls, South Dakota, and $18.9 million for this PPA's share of the increase in Worker's Compensation costs and the screener incentive program increase.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Baggage TSO PC&B
Funding Schedule
(Dollars in Thousands)

PPA: TSO Baggage PC&B		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions	$599,632	$674,055	$700,853	$26,798
11.3	Other than perm	50,542	56,815	59,074	2,259
11.5	Other per comp	103,176	115,982	120,593	4,611
11.8	Spec Srvc Pay	1,154	1,297	1,349	52
12.1	Benefits	27,469	30,878	32,106	1,228
	Total	**$781,973**	**$879,027**	**$913,974**	**$34,947**
Full Time Equivalents		16,905	16,708	16,695	(13)

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

Includes all Transportation Security Officer (TSO), TSO Lead, TSO Supervisor, and TSO Manager salaries, benefits and compensation, and net effects of federal pay raise assumptions, transfers out of personnel and annualizations.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$781,973**	**$879,027**	**$913,974**	**$34,947**

Salaries and Benefits includes an increase of $34.9 million in FY 2007, $23.8 million for the net of the proposed federal pay raise and for the loss of 13 FTE due to the privatization of Sioux Falls, South Dakota, and $11.1 million for this PPA's share of the increase in Worker's Compensation costs and the screener incentive program increase.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
TSO Training
Funding Schedule
(Dollars in Thousands)

PPA: TSO Training		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	12,241	11,175	11,175	0
23.3	Communication, Utilities, and misc charges	205	187	187	0
24.0	Printing	57	52	52	0
25.1	Advisory & Assistance Services	21,589	19,710	19,823	113
25.2	Other Services	21,741	19,848	20,058	210
25.3	Purchase from Govt. Accts.	6,714	6,130	6,130	0
25.4	Operation & maintenance of facilities	603	551	551	0
26.0	Supplies & materials	32,703	29,856	30,024	168
	Total	$95,853	$87,509	$88,000	$491
Full Time Equivalents		---	---	---	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

Provides the ATSA-mandated and discretionary training to new TSO hires and the current TSO workforce

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$12,241	$11,175	$11,175	$0

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	$205	$187	$187	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$57	$52	$52	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$21,589	$19,710	$19,823	$113

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 increase represents non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$21,741**	**$19,848**	**$20,058**	**$210**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 increase represents non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$6,714**	**$6,130**	**$6,130**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$603**	**$551**	**$551**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$32,703**	**$29,856**	**$30,024**	**$168**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 increase represents non-pay inflation.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Passenger TSO - Other
Funding Schedule
(Dollars in Thousands)

PPA: Passenger TSO - Other		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	3,745	3,461	3,461	---
23.3	Communication, Utilities, and misc charges	340	314	314	---
24.0	Printing	55	51	51	---
25.1	Advisory & Assistance Services	9,587	8,859	8,859	---
25.2	Other Services	3,447	3,185	3,185	---
25.3	Purchase from Govt. Accts.	3,780	3,493	3,493	---
25.4	Operation & maintenance of facilities	465	430	430	---
26.0	Supplies & materials	4,140	3,826	3,560	(266)
	Total	**$25,559**	**$23,618**	**$23,352**	**($266)**
Full Time Equivalents		---	---	---	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

Provides all the operational support, such as consumables, uniforms, supplies, claims, checkpoint janitorial services, and checkpoint hazardous material disposal to maintain the TSO Workforce.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$0**	**$0**	**$0**

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$3,745**	**$3,461**	**$3,461**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and Misc. Charges	**$340**	**$314**	**$314**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$55**	**$51**	**$51**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$9,587**	**$8,859**	**$8,859**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$3,447**	**$3,185**	**$3,185**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$3,780**	**$3,493**	**$3,493**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$465**	**$430**	**$430**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$4,140**	**$3,826**	**$3,560**	**($266)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a decrease for efficiencies in the purchase of screening-related consummables.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Baggage TSO - Other
Funding Schedule
(Dollars in Thousands)

	PPA: Baggage TSO -Other	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	6,162	9,136	9,136	—
23.2	Other rent	19	28	28	—
23.3	Communication, Utilities, and misc charges	346	513	513	—
24.0	Printing	71	105	105	—
25.1	Advisory & Assistance Services	23,632	35,036	35,036	—
25.2	Other Services	24,262	35,970	35,970	—
25.3	Purchase from Govt. Accts.	9,510	14,099	14,099	—
25.4	Operation & maintenance of facilities	592	878	878	—
26.0	Supplies & materials	25,814	38,271	37,349	(922)
	Total	**$90,408**	**$134,036**	**$133,114**	**($922)**
	Full Time Equivalents	---	---	---	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

Provides all the operational support such as consumables, uniforms, and supplies, to maintain the TSO Workforce.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$6,162**	**$9,136**	**$9,136**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$19**	**$28**	**$28**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$346**	**$513**	**$513**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$71**	**$105**	**$105**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$23,632**	**$35,036**	**$35,036**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$24,262**	**$35,970**	**$35,970**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$9,510**	**$14,099**	**$14,099**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$592**	**$878**	**$878**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$25,814**	**$38,271**	**$37,349**	**($922)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a decrease for efficiencies in the purchase of screening-related consummables.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Human Resource Services
Funding Schedule
(Dollars in Thousands)

PPA: Human Resource Services		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
22.0	Transportation of things	3,015	0	0	0
23.2	Other rent	---	11	11	0
24.0	Printing	856	17	17	0
25.1	Advisory & Assistance Services	3,558	4,087	4,381	294
25.2	Other Services	202,724	195,595	196,015	420
25.3	Purchase from Govt. Accts.	---	6,122	6,562	440
25.6	Medical care	---	169	182	13
26.0	Supplies & materials	---	32	32	0
31.0	Equipment	---	35	35	0
Total		$210,153	$206,068	$207,234	$1,166
Full Time Equivalents		---	---	---	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

Human Resources (HR) Services -- HR Services develops and manages human resources, payroll, personnel policies, programs, and systems.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$3,015	$0	$0	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$0	$11	$11	$0

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$856	$17	$17	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$3,558**	**$4,087**	**$4,381**	**$294**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a base increase of $294,000 to bring HR Services back to FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$202,724**	**$195,595**	**$196,015**	**$420**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a base increase of $420,000 to bring HR Services back to FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$6,122**	**$6,562**	**$440**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a base increase of $440,000 to bring HR Services back to FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$0**	**$169**	**$182**	**$13**

Medical Care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. The FY 2007 request includes a base increase of $12,000 to bring HR Services back to FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$32**	**$32**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$35**	**$35**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request has no change.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Checkpoint Support
Funding Schedule
(Dollars in Thousands)

PPA: Checkpoint Support		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	---	308	327	19
22.0	Transportation of things	---	24	24	0
23.3	Communication, Utilities, and misc charges	40	0	0	0
24.0	Printing	70	0	0	0
25.1	Advisory & Assistance Services	15,056	0	0	0
25.2	Other Services	1,700	30,944	32,697	1,753
25.3	Purchase from Govt. Accts.	33,000	0	0	0
25.4	Operation & maintenance of facilities	1,091	0	0	0
25.7	Operation & maintenance of equipment	---	64,847	68,520	3,673
26.0	Supplies & materials	3	2,833	2,994	161
31.0	Equipment	38,296	65,116	68,804	3,688
	Total	**$89,256**	**$164,072**	**$173,366**	**$9,294**
Full Time Equivalents		---	---	---	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The Checkpoint Support PPA provides the resources required to deploy and maintain passenger screening, carry-on baggage screening and electronic surveillance equipment. This equipment is a vital component of TSA's efforts to secure our nation's air transportation.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$308**	**$327**	**$19**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $19,000 for employee travel required to support increased level of project activity.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$24**	**$24**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. This request funds the transportation costs associated with new refurbished and relocated equipment.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$40**	**$0**	**$0**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$70**	**$0**	**$0**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$15,056**	**$0**	**$0**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,700**	**$30,944**	**$32,697**	**$1,753**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of approximately $1.8 million which will support installation of new equipment and the increased program management support required at the higher program activity level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$33,000**	**$0**	**$0**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$1,091**	**$0**	**$0**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$0**	**$64,847**	**$68,520**	**$3,673**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of approximately $3.7 million which will support the increased operation and maintenance required at the higher program activity level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$3**	**$2,833**	**$2,994**	**$161**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of less than $200,000 to support the newly deployed equipment.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$38,296**	**$65,116**	**$68,804**	**$3,688**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $3.7 million which includes a base adjustment of $0.9 million. This funding will also permit the continued acquisition of Explosives Trace Portals (ETP) and Whole Body Imagers. The request provides funds to initiate the acquisition and deployment of Automated Explosives Detection Systems (EDS) for Carry-On Bags, Automated Explosives Spot Samplers, Cast and Prosthetics Scanners, as well as the initial procurements of new innovative technologies that are still "coming down the pipeline." The $0.9 million base adjustment will allow the purchase of an additional 28 TRXs and 22 Cast and Prosthetic Scanners.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
EDS/ETD Purchase
Funding Schedule
(Dollars in Thousands)

PPA: EDS/ETD Purchase		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	32	50	50	0
25.2	Other Services	12,492	19,823	10,335	(9,488)
31.0	Equipment	162,959	154,143	80,615	(73,528)
Total		**$175,483**	**$174,016**	**$91,000**	**($83,016)**
Full Time Equivalents		—	—	—	—

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

EDS / ETD Purchase funds th epurchase of electronic baggage screening equipment for deployment in our nations airports. The deployment of this equipment is a key component of TSA's ability to ensure the security of the air transportation system.

Note: This decrease of $83 million from FY 2006 represents an appropriate balance of EDS / ETD purchase and installation funding in FY 2007.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$32**	**$50**	**$50**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$12,492**	**$19,823**	**$10,335**	**($9,488)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes $10,335,000 for program management and other consulting efforts associated with equipment purchase. This funding represents a decrease of $9,488,000 which partially offsets increased funding needs in the EDS / ETD Installation PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$162,959**	**$154,143**	**$80,615**	**($73,528)**

Equipment includes all costs for the purchases of property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request for $80.6 million represents a decrease of approximately $73.5 million. This decrease offsets the increased funding requirements of the EDS / ETD Installation PPA that are required for implementation of the EBSP Strategic Plan. The requested funding will allow TSA to continue to field enhanced security capabilities at airports in accordance with the Strategic Plan.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
EDS/ETD Installation
Funding Schedule
(Dollars in Thousands)

PPA: EDS/ETD Installation		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	78	100	150	50
22.0	Transportation of things	2,001	194	408	214
25.1	Advisory & Assistance Services	—	27	57	30
25.2	Other Services	215,598	44,417	93,369	48,952
26.0	Supplies & materials	140	9	16	7
	Total	**$217,817**	**$44,747**	**$94,000**	**$49,253**
Full Time Equivalents		—	—	—	—

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

EDS / ETD Installation funds the installation of electronic baggage screening equipment in our nations aiports. Installation is an integral cost associated with the deployment of equipment that enhances the security of our air transportation system.

Note: This $49 million increase represents an appropriate balance of EDS / ETD Purchase and Installation funding in FY 2007.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$78**	**$100**	**$150**	**$50**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. Travel is a required part of program implementation allowing personnel to collect and evaluate information to develop requirements and monitor implementation of projects. The FY 2007 request includes increases of $50,000 for employee travel associated with an increased level of equipment installation over FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$2,001**	**$194**	**$408**	**$214**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Transportation costs are associated with equipment that is purchased or relocated as part of program implementation. The FY 2006 request includes an increase of $214,000 for this activity to cover increased relocation of equipment required to implement the strategic plan. The change in funding level is an adjustment-to-base off-set by a decrease in the EDS / ETD Purchase PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$0	$27	$57	$30

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $30,000 associated with additional program management expenses associated with higher level of installation activities. The change in funding level is an adjustment to base off-set by a decrease in the EDS / ETD Purchase PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$215,598	$44,417	$93,369	$48,952

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $48,952,000 to fund increased installation activity needed to implement the Strategic Plan. The change in funding level is an adjustment to base off-set by a decrease in the EDS / ETD Purchase PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$140	$9	$16	$7

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. FY 2007 funding includes a modest increase associated with the increased level of effort for this PPA. The change in funding level is an adjustment to base off-set by a decrease in the EDS / ETD Purchase PPA.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
EDS/ETD Maintenance and Utilities
Funding Schedule
(Dollars in Thousands)

PPA: EDS/ETD Maintenance & Utilities		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
21.0	Travel	0	50	50	0
23.3	Communication, Utilities, and misc charges	2,012	6,077	6,444	367
25.2	Other Services	2,667	5,838	6,000	162
25.7	Operation & maintenance of equipment	188,016	184,792	219,014	34,222
26.0	Supplies & materials	2,012	2,118	2,492	374
	Total	**$194,707**	**$198,875**	**$234,000**	**$35,125**
Full Time Equivalents		---	---	---	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

EDS/ETD Systems -- Maintenance and Utilities funds the maintenance and associated utilities of electronic baggage screening equipment in our nation's airports. This funding is essential to ensure that all security screening equipment is operationally ready and supportable over its anticipated lifetime.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$50**	**$50**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. Travel is a required part of program implementation allowing personnel to collect and evaluate information to develop requirements and monitor implementation of projects. The FY 2007 request includes $50,000 to cover the cost of employee travel required to implement and monitor maintenance programs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$2,012**	**$6,077**	**$6,444**	**$367**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request provides for utilities to EDS / ETD checked baggage screening facilities including a $367,000 increase that is expected to cover increases in the cost of the base services and the cost of supplying utilities to newly installed equipment.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$2,667**	**$5,838**	**$6,000**	**$162**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request funds maintenance and program management contracts required for the maintenance of EDS and ETD baggage screening equipment including a $162,000 increase to cover the maintenance cost associated with newly deployed equipment and older equipment whose maintenance is no longer covered under warranty.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$188,016**	**$184,792**	**$219,014**	**$34,222**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request funds maintenance of EDS and ETD baggage screening equipment including a $34 million comprised of a $1.125 million adjustment to base and a $32.875 million increase to cover the maintenance cost associated with newly deployed equipment and older equipment whose maintenance is no longer covered under warranty. Maintenance cost increases from approximately 3% to about 15% of original purchase cost as equipment warranties expire.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$2,012**	**$2,118**	**$2,492**	**$374**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a $374,000 increase to support the additional requirements associated with newly deployed equipment.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Operation Integration
Funding Schedule
(Dollars in Thousands)

PPA: Operation Integration		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions		$1,260	$1,292	$32
12.1	Benefits		540	554	14
21.0	Travel	---	50	50	0
22.0	Transportation of things	---	3	3	0
25.2	Other Services		15,768	15,851	83
25.7	Operation & maintenance of equipment		10	10	0
26.0	Supplies & materials		240	240	0
31.0	Equipment		5,000	5,000	0
Total		**$0**	**$22,871**	**$23,000**	**$129**
Full Time Equivalents			14	14	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

EDS/ETD Operation Integration supports efforts to develop technology requirements and perform operational integration on new security equipment, including passenger, baggage and cargo screening equipment, infrastructure security systems and conveyance security

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$1,800**	**$1,846**	**$46**

Salaries and Benefits include costs for 14 FTE in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $46,000 for annualization of prior year funds and for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$50**	**$50**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. Travel is a required part of program implementation allowing personnel to collect and evaluate information to develop requirements and monitor implementation of projects.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$3**	**$3**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Transportation costs are associated with equipment that is purchased or leased as part of program implementation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$15,768**	**$15,851**	**$83**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a $83,000 adjustment to base increase to cover increases in the cost of service contracts.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$240**	**$240**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The budget request funds supplies and materials required to implement the program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$5,000**	**$5,000**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. Funding allows the procurement of equipment required to develop standards and perform operational integration.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Aviation Regulation & Other Enforcement
Funding Schedule
(Dollars in Thousands)

PPA: Aviation Regulation & Other Enforcemen		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions	$73,840	73,331	$73,368	$37
11.3	Other than perm	1,500	1,000	1,000	0
11.5	Other per comp	3,000	2,000	2,000	0
12.1	Benefits	24,630	32,713	32,729	16
21.0	Travel	6,000	8,760	6,865	(1,895)
24.0	Printing	10	11	11	0
25.2	Other Services	30,627	34,488	32,681	(1,807)
25.3	Purchase from Govt. Accts.	56,604	67,508	67,508	0
25.4	Operation & maintenance of facilities	2	2	2	0
31.0	Equipment	1,200	1,352	1,352	0
Total		**$197,413**	**$221,165**	**$217,516**	**($3,649)**
Full Time Equivalents		893	999	975	(24)

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The purpose of Aviation Regulation and Other Enforcement is to provide activities that ensure that TSA continues to build a strong security regulation and enforcement presence on-site at the nation's commercial airports. Funding requested under this decision unit supports airport regulation compliance through domestic and international inspections, K-9 units, international outreach programs to ensure alignment and consistency in security requirements of the United States and those of the other nations to ensure transportation system integrity; and reimbursements provided to State and local law enforcement for support provided at commercial airport checkpoints.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$102,970**	**$109,044**	**$109,097**	**$53**

Salaries and Benefits includes an increase of $53,000 to account for the net effect of the proposed federal pay raise and an additional loss of 24 FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$6,000**	**$8,760**	**$6,865**	**($1,895)**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes decreases of $1,895,000 due to a reduction of mission related and other travel requirements.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$10**	**$11**	**$11**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$30,627**	**$34,488**	**$32,681**	**($1,807)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. FY 2007 requests a decrease of $1,807,000 due to efficiencies gained as a result of a realignment of organizations and functions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$56,604**	**$67,508**	**$67,508**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. No program change is requested in FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$2**	**$2**	**$2**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. No program change is requested in FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,200**	**$1,352**	**$1,352**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. Due to the realignment of the base, no additional funds are requested in FY 2007.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Airport Management, IT and Support
Funding Schedule
(Dollars in Thousands)

PPA: Airport Management, IT and Support		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions	$182,367	$187,201	$190,565	$3,364
12.1	Benefits	47,416	48,672	49,774	1,102
21.0	Travel	3,861	6,798	6,798	0
23.1	GSA rent	62,509	110,045	105,045	(5,000)
23.2	Other rent	1,018	1,793	1,793	0
23.3	Communication, Utilities, and misc charges	21,266	37,438	37,438	0
24.0	Printing	1	1	1	0
25.1	Advisory & Assistance Services	14	24	24	0
25.2	Other Services	94,427	166,237	150,630	(15,607)
25.3	Purchase from Govt. Accts.	30,926	54,445	54,445	0
25.4	Operation & maintenance of facilities	2,378	4,187	4,187	0
25.7	Operation & maintenance of equipment	168	295	295	0
26.0	Supplies & materials	4,250	7,482	7,482	0
31.0	Equipment	16,488	29,027	29,027	0
41.0	Grants/Subsidies/Contributions	16,204	28,527	28,527	0
Total		**$483,294**	**$682,173**	**$666,032**	**($16,141)**
Full Time Equivalents		2,172	2,085	2,085	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

In FY 2007, of the $666 million requested for the PPA, $267.7 million supports approximately 2,085 FTE at the airports and HQ. Approximately 1,801 FTE comprise the staff of the 158 Federal Security Directors (FSDs) and 284 FTE direct the policy, analysis, and administration of aviation screening. FSD staffs and Security Operations positions are critical to supporting the front line operations of our TSOs. This PPA also supports TSA's IT operating platform, the Transportation Security Operations Center (TSOC), field rent, transit and parking, and miscellaneous IT systems that support the field.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$229,783**	**$235,873**	**$240,340**	**$4,466**

Salaries and Benefits include costs for 2,085 FTE in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $4.466 million for annualization of prior year funds and for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$3,861**	**$6,798**	**$6,798**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$62,509**	**$110,045**	**$105,045**	**($5,000)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request represents a decrease due to non-recurring GSA-leased space construction activities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$1,018**	**$1,793**	**$1,793**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$21,266**	**$37,438**	**$37,438**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$1**	**$1**	**$1**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$14**	**$24**	**$24**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$94,427**	**$166,237**	**$150,630**	**($15,607)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease due to non-recurring High Speed Operational Connectivity (Hi-SOC) installation expenses.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$30,926**	**$54,445**	**$54,445**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$2,378**	**$4,187**	**$4,187**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$168**	**$295**	**$295**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$4,250**	**$7,482**	**$7,482**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$16,488**	**$29,027**	**$29,027**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$16,204**	**$28,527**	**$28,527**	**$0**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Federal Flight Deck Officer (FFDO) & Flight Crew Training
Funding Schedule
(Dollars in Thousands)

PPA: FFDO & Flight Crew Training		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions	$1,868	$3,154	$3,169	$15
11.3	Other than perm	$131	220	220	0
11.5	Other per comp	$87	147	147	0
12.1	Benefits	$564	952	958	6
21.0	Travel	$201	339	339	0
24.0	Printing	$1	2	2	0
25.1	Advisory & Assistance Services	$4,921	8,308	8,347	39
25.2	Other Services	$6,066	10,243	10,299	56
25.3	Purchase from Govt. Accts.	$4,651	5,542	5,568	26
26.0	Supplies & materials	$842	1,421	1,421	0
Total Operations		**$19,331**	**$30,328**	**$30,470**	**$142**
Full Time Equivalents		14	25	25	---

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

TSA is mandated to provide the Federal Flight Deck Officer (FFDO) and Flight Crew Training programs to deputize qualified airline pilots as federal law enforcement officers and to train flight crew members to defend the flight decks and cabins of aircraft against acts of criminal violence or air piracy. This voluntary program provides training in firearms proficiency, self-defense tactics, authorities, and decision making to defend the cockpit.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$2,650**	**$4,473**	**$4,494**	**$21**

Salaries and Benefits include costs for 25 FTE in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $21,000 for annualization of prior year funds and for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$201**	**$339**	**$339**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$1**	**$2**	**$2**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$4,921**	**$8,308**	**$8,347**	**$39**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $39,000 to bring the Federal Flight Deck Officer and Flight Crew Training programs back to FY 2006 enacted level, pre rescission.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$6,066**	**$10,243**	**$10,299**	**$56**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $56,000 to bring the Federal Flight Deck Officer and Flight Crew Training programs back to FY 2006 enacted level, pre rescission.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$4,651**	**$5,542**	**$5,568**	**$26**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $26,000 to bring the Federal Flight Deck Officer and Flight Crew Training programs back to FY 2006 enacted level, pre rescission.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$842**	**$1,421**	**$1,421**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes no increases.

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation
Air Cargo
Funding Schedule
(Dollars in Thousands)

PPA: Air Cargo		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions	11,452	$23,771	$23,905	134
11.3	Other than perm	20	41	41	0
11.5	Other per comp	255	---	---	0
12.1	Benefits	3,401	6,907	6,946	39
21.0	Travel	520	1,055	1,055	0
25.1	Advisory & Assistance Services	5	10	10	0
25.2	Other Services	15	30	30	0
25.3	Purchase from Govt. Accts.	11,394	22,877	23,013	136
Total Operations		**$27,062**	**$54,691**	**$55,000**	**$309**
Full Time Equivalents		160	246	300	54

[1] Specific Object Class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

This program is responsible for securing the air cargo supply chain including cargo, conveyances, and people. An estimated 23 billion pounds of cargo is shipped within the United States by air annually. About three-quarters of this amount is transported via all-cargo aircraft, while the reminder travels aboard passenger aircraft. The program operates through compliance activities, policy initiatives and technology implementation. Safeguarding the nation's critical air cargo transportation infrastructure is a shared public and private sector responsibility. Significant regulatory and outreach effort is required. TSA has implemented a threat-based risk management approach for prioritizing efforts and focusing resources. The Air Cargo Strategic Plan outlined an approach for securing the air cargo transportation system based on two threats: introduction of an explosive device on a passenger aircraft, and the hijacking of an all-cargo aircraft resulting in its use as a weapon of mass destruction.

Base resources in FY 2007 will support 300 air cargo inspectors and the efforts described above. Further development of the Freight Assessment System will occur. Compliance and outreach efforts will emphasize implementation of the Final Rule.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$15,128**	**$30,719**	**$30,892**	**$173**

Salaries and Benefits includes an increase of $173,000 to annualize prior year funds and for the proposed federal pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$520**	**$1,055**	**$1,055**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$5**	**$10**	**$10**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$15**	**$30**	**$30**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. There are also decreases of $8,254,000 in non-recurrals and $4,427,000 in efficiency savings.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$11,394**	**$22,877**	**$23,013**	**$136**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $136,000 in non-pay inflation.

I. Schedule of Working Capital Fund

Department of Homeland Security
Transportation Security Administration
Aviation Security Appropriation

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	Increase / Decrease for FY 2007
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Aviation Direction & Enforcement - Airport Management, IT & Support	---	$13,968	$15,556	$1,588
Total Working Capital Fund	**---**	**$13,968**	**$15,556**	**$1,588**

Department of Homeland Security

Transportation Security Administration

Surface Transportation Security

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Transportation Security Administration
Surface Transportation Security Appropriation

I. Appropriation Overview

A. Mission.

TSA is mandated to protect the surface transportation system and ensure the freedom of movement for people and commerce. This mission is accomplished largely by a consortium of federal, state, local and private entities optimizing resources in a risk-based approach to security. In addition to coordination, TSA provides surface inspectors, canine teams and other screening and detection programs.

These combined efforts play an essential role in DHS' mission to prevent terrorist acts within the U.S.; to reduce vulnerability to terrorism; and minimize the damage from potential attacks. The surface domain includes:

- Approximately 775 million passengers traveling on buses each year and over 9 billion passenger trips on mass transit per year;
- Over 140,000 miles of railroad track (of which 120,000 miles are privately owned), 3.8 million miles of roads (46,717 miles of Interstate highway and 114,700 miles of National Highway System roads), 582,000 bridges over 20 feet of span, 54 tunnels over 500 meters in length, and nearly 2.2 million miles of pipeline; and
- Nearly 800,000 shipments of hazardous materials transported every day (95% by truck).

There is a very real ongoing threat to transportation security, particularly involving the mass transit mode as evidenced by the bombings in Madrid in the summer of 2004 and in London in July 2005, While TSA, its government partners and industry owners and operators have increased their vigilance in response to these events, more robust information exchange, threat detection and preparedness measures must be undertaken to assure the security and resilience of the transportation system.

B. Budget Activities:

The appropriation includes two major programs – Surface Transportation Security Operations and Staffing and Rail/Mass Transit Security.

Surface Transportation Staffing and Operations:
Surface Transportation Staffing and Operations provides coordination among all surface security stakeholders to implement a regulatory framework, prioritize resources, and identify best practices through exercise support and pilot programs.

Rail/Mass Transit Security:
Rail/Mass Transit Security employs a cadre of inspectors and canine forces to provide compliance, outreach, and security efforts in the surface transportation system. They interact daily within the

transportation network to enhance security measures and are available for surge operations when heightened security is required.

C. Budget Request Summary

The Transportation Security Administration requests 297 positions, 297 FTE, and $37,200,000 for the FY 2007 request. This is an increase of $1,560,000 to fully annualize the 100 rail inspectors and mass transit canine program.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Transportation Security Administration
Surface Transportation Security
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE[1]	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Surface Transportation Security Operations and Staffing	162	$25,531	197	$23,760	197	$24,000	---	$240	---	---	---	$240
Rail Security Inspectors and Canines	22	2,098	100	7,920	100	13,200	---	5,280	---	---	---	5,280
Hazardous Materials Truck Tracking and Training	---	6,956	---	3,960	---	---	---	(3,960)	---	---	---	(3,960)
Grants [2]	---	17,635	---	---	---	---	---	---				
TWIC / Credentialing (Move to TTAC in FY06) [3]	6	13,170	---	---	---	---	---	---				
Port Security Incident Response [4]	---	16,703	---	---	---	---	---	---				
Subtotal, Enacted Appropriations and Budget Estimates	**190**	**$82,093**	**297**	**$35,640**	**297**	**$37,200**	**---**	**$1,560**	**---**	**$0**	**---**	**$1,560**
Less: Adjustments for Other Funding Sources:												
Net, Discretionary Appropriations and Budget Estimates	**190**	**$82,093**	**297**	**$35,640**	**297**	**$37,200**	**---**	**$1,560**	**---**	**$0**	**---**	**$1,560**

[1] FTE Numbers have been updated to reflect the most recent information available. As a result, numbers may differ somewhat from those depicted in MAX.

[2] The management of Transpotation Grants including Port Security Grants, Operation Safe Commerce, and the Highway Watch Program was moved to the Office of Domestic Preparedness (ODP) in the Spring 2004 and subsequent appropriations for those programs are in the ODB budget for FY 2005 and beyond.

[3] Funding for the TWIC program was moved to the Transportation Vetting and Credentialing Appropriation in FY 2006 (requested as TTAC in FY 2007).

[4] The Port Security Incedents and Response program received funding only in the FY 2002 Emergency Supplemental and the funds were entirely expended by the end of FY 2005.

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III. Current Services Program Description by PPA

Department of Homeland Security
Surface Transportation Security
Program Performance Justification
(Dollars in Thousands)

PPA: SURFACE TRANSPORTATION SECURITY OPERATIONS AND STAFFING

	Perm Pos	FTE	Amount
2005 Actual	**197**	**162**	**$25,531**
2006 Revised Enacted	**197**	**197**	**23,760**
2007 Adjustments-to-Base	...	...	240
2007 Current Services	**197**	**197**	**24,000**
2007 Program Change	...	...	...
2007 Request	**197**	**197**	**24,000**
Total Change 2006-2007	...	...	240

The Transportation Security Administration requests $24 million for this activity. This maintains the FY 2006 funding level with a slight increase of $240,000 to maintain current services.

CURRENT SERVICES PROGRAM DESCRIPTION:

Surface Transportation Security work with modal administrators (Federal Railroad Administration (FRA), Federal Transit Administration (FTA), Federal Motor Carrier Safety Administration, Pipelines and Hazardous Materials Safety Administration, and Federal Highway Administration), other government agencies, and industry stakeholders to establish best practices and national standards, develop security plans and regulations, better assess security vulnerabilities and identify needed security enhancements for surface transportation modes and related infrastructure.

TSA applies three tenets in surface security programming decisions:

1. A threat-based risk management system to ensure transportation security and to direct the investment of scarce resources;

2. A shared public/private responsibility; and

3. Coordination and leveraging of government and industry efforts to develop security plans and standards for intermodal transportation.

This three-pronged approach provides consistency among modes and recognizes transportation security in the context of intermodal, interdependent and international concerns.

In FY05, a Memorandum of Understanding was signed by DHS components and DOT's FTA to delineate coordination of activities, risk assessments and security reviews, information sharing and planning processes. TSA participated in Transit Watch, Security Roundtable conferences, and Connecting Communities Emergency Response and Preparedness training workshops. TSA provided expertise to prioritize security grant funding.

PPA: RAIL SECURITY INSPECTORS AND CANINES

	Perm Pos	FTE	Amount
2005 Actual	**100**	**22**	**$2,098**
2006 Revised Enacted	**100**	**100**	**7,920**
2007 Adjustments-to-Base	...	...	5,280
2007 Current Services	**100**	**100**	**13,200**
2007 Program Change	...	...	...
2007 Request	**100**	**100**	**13,200**
Total Change 2006-2007	...	...	5,280

TSA requests $13.2 million for this activity. The increase of $5.3 million will annualize part-year funding provided last year and support 100 rail inspectors and mass transit canine support.

CURRENT SERVICES PROGRAM DESCRIPTION:

Surface Security Inspectors: Rail Security Inspectors are tasked with ensuring compliance with TSA and other federal security regulations, standards, or directives within the rail and mass transit sectors. The 100 compliance inspectors are assigned to TSA HQ and 18 field offices throughout the United States to provide coverage of the key rail and mass transit facilities in their regions. In FY05, the 100 inspectors were hired and trained. In conjunction with FRA counterparts, TSA inspectors were able to respond throughout the nationwide rail and mass transit system in response to the London bombings to provide situational awareness of security conditions. In addition, a System Security Evaluation (SSE) program was implemented and the initial SSE completed in the first quarter of FY06. These evaluations involve all stakeholders in a mass transit system in evaluating the security of the entire system. This program will be expanded with 18 planned evaluations in FY06, and maturing in FY07 to 36 SSEs. The inspectors are fully engaged with outreach and enforcement activities in the systems throughout their regions to ensure awareness and compliance with applicable Security Directives.

Mass Transit Canines: Canine explosive detection teams are in the process of being deployed to ten mass transit systems as part of the National Canine Explosives Detection Team Program (NEDCTP) [the overall program is also funded out of the Aviation Security Appropriation]. The FY07 funding level maintains the full operation of the 30

canine teams being certified and becoming fully operational in FY06. NEDCTP deploys and provides day-to-day operational oversight of TSA certified explosive detection canine team resources.

PPA: HAZARDOUS MATERIALS TRUCK TRACKING AND TRAINING

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$6,956**
2006 Revised Enacted	...	...	**3,960**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	...	...	...
2007 Program Change	...	...	...
2007 Request	...	...	...
Total Change 2006-2007	...	...	**(3,960)**

The Transportation Security Administration requests no additional funding for hazardous materials truck tracking and training in FY 2007. This project was previously funded in FY 2003 through 2006. This represents a decrease of $3.96 million from FY 2006.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Transportation Security Administration
Justification of Proposed Changes in Surface Transportation Security
Appropriation Language

For necessary expenses of the Transportation Security Administration related to providing surface transportation security activities, [$36,000,000] ***$37,200,000*** to remain available until September 30, [2007] ***2008***. (Department of Homeland Security Appropriations Act, 2006.)

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Transportation Security Administration
Surface Transportation Security
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**297**	**190**	**$82,093**
2006 Revised Enacted:	**297**	**297**	**35,640**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	---		4,926
2007 pay increase	---	---	594
Total Increases	---	---	5,520
Decreases			
Termination of one-time costs	---	---	(3,960)
Total Decreases	---	---	(3,960)
Total Adjustments-to-Base	---	---	**1,560**
2007 Current Services	**297**	**297**	**37,200**
Program Changes			
Program Increases/(Decreases)			
Total Program Changes	---	---	---
2007 Request	**297**	**297**	**37,200**
2006 to 2007 Total Change	---	---	**1,560**

C. Summary of Requirements

Department of Homeland Security
Transportation Security Administration
Surface Transportation Security
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
Object Classes:	**Perm. Pos.**	**FTE**	**Amount**
2005 Actual	**297**	**190**	**$82,093**
2006 Revised Enacted	**297**	**297**	**35,640**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	5,520
Decreases	---	---	(3,960)
Total Adjustments-to-Base	---	---	1,560
2007 Current Services	**297**	**297**	**37,200**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	**297**	**297**	**37,200**
2006 to 2007 Total Change	---	---	1,560

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Operations & Staffing	197	197	$23,760	---	---	$240	---	---	$ ---	197	197	$24,000	---	---	$240
3 Rail Security Inspectors and Canines	100	100	7,920	---	---	5,280	---	---	---	100	100	13,200	---	---	5,280
2 HAZMAT Truck Tracking and Training	---	---	3,960	---	---	(3,960)	---	---	---	---	---	---	---	---	(3,960)
Total	**297**	**297**	**$35,640**	---	---	**$1,560**	---	---	**$0**	**297**	**297**	**$37,200**	---	---	**$1,560**

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D. Summary of Reimbursable Resources

Not Applicable.

E. Summary of Requirements by Object Class

Department of Homeland Security
Transportation Security Administration
Surface Transportation Security
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes[1]	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$17,458	$22,043	$24,396	$2,353
12.1 Benefits	5,210	6,893	7,286	393
Total, Personnel Comp. & Benefits	**$22,668**	**$28,936**	**$31,682**	**$2,746**
Other Object Classes:				
21.0 Travel	761	500	900	400
23.3 Communications, utilities, & other misc. charges	1,300	100	270	170
24.0 Printing and reproduction	10	10	15	5
25.1 Advisory and assistance services	20,729	3,960	-	(3,960)
25.2 Other services	11,101	1,800	1,800	---
25.3 Purchases of goods & svcs. from Gov't accounts	6,027	134	133	(1)
26.0 Supplies and materials	1,702	200	400	200
31.0 Equipment	160	-	-	---
41.0 Grants/Subsidies/Contributions	17,635	-	2,000	2,000
Total, Other Object Classes	**$59,425**	**$6,704**	**$5,518**	**($1,186)**
Total, Direct Obligations	**$82,093**	**$35,640**	**$37,200**	**$1,560**
Unobligated balance, start of year	(57,042)	(23,402)	(23,402)	
Unobligated balance, end of year	23,402	23,402	23,402	
Unobligated balance, expiring	(2,000)			
Total requirements	**$46,453**	**$35,640**	**$37,200**	**$1,560**

[1] Specific object class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those in MAX.

F. Permanent Positions by Grade

Department of Homeland Security
Transportation Security Administration
Surface Transportation Security
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	5	7	7	---
K Band	50	48	48	---
J Band	32	32	32	---
I Band	76	76	76	---
H Band	55	55	55	---
G Band	52	52	52	---
F Band	23	23	23	---
E Band	3	3	3	---
D Band	1	1	1	---
Total Permanent Positions	**297**	**297**	**297**	---
Unfilled Positions EOY	72	---	---	---
Total Perm. Employment EOY	225	297	297	---
FTE	**190**	**297**	**297**	---
Headquarters	185	186	186	---
U.S. Field	112	111	111	---
Total Permanent Positions	**297**	**297**	**297**	---
Average ES Salary	$ 147,497	$ 152,069	$ 156,783	$ 4,714
Average Salary, Banded Positions	$ 75,228	$ 77,560	$ 79,964	$ 2,404
Average Band	H	H	H	

G. Capital Investment and Construction Initiative Listing

Not Applicable.

H. PPA Budget Justifications

Department of Homeland Security
Transportation Security Administration
Surface Transportation Security
Surface Transportation Security Operations & Staffing
Funding Schedule
(Dollars in Thousands)

PPA: Surface Transportation Security Operations & Staffing		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
11.1	Perm Positions	$12,646	16,182	$16,599	$417
12.1	Benefits	3,778	4,834	4,958	124
21.0	Travel	500	500	500	---
23.3	Communication, Utililities, and misc charges	100	100	100	---
24.0	Printing	10	10	10	---
25.2	Other Services	7,297	1,800	1,500	(300)
25.3	Purchase from Govt. Accts.	1,000	134	133	(1)
26.0	Supplies & materials	200	200	200	---
Total, Operations and Staffing		**$25,531**	**$23,760**	**$24,000**	**$240**
Full Time Equivalents		162	197	197	---

[1] Specific object class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

SurfaceTransportation Security Operations and Staffing is charged with managing TSA's efforts to mitigate the risk and provide security direction to all non-aviation transportation systems. This responsibility covers rail, mass transit, highways, buses, trucking, ferries, and pipelines. This office also works with industry, state and local governments, and other Federal agencies in developing standards and regulations to ensure the security of these vital transportation systems.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$16,424**	**$21,016**	**$21,557**	**$541**

Salaries and Benefits includes costs for 197 FTEs in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $541k for annualization of prior year funds and for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$500**	**$500**	**$500**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request maintains the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$100**	**$100**	**$100**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request maintains the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$10**	**$10**	**$10**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request maintains the 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$7,297**	**$1,800**	**$1,500**	**($300)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a decrease of $300,000 based on programmatic projections of reduced levels in these services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$1,000**	**$134**	**$133**	**($1)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decreases of $1,000 to reflect program efficiencies.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$200**	**$200**	**$200**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request maintains the FY 2006 level.

Department of Homeland Security
Transportation Security Administration
Surface Transportation Security
Rail Security Inspectors and Canines
Funding Schedule
(Dollars in Thousands)

PPA: Rail Security Inspectors and Canines		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
11.1	Perm Positions	$1,345	$5,861	$7,797	$1,936
12.1	Benefits	472	2,059	2,328	269
21.0	Travel	178	---	400	400
23.3	Communication, Utilities, and misc charges	---	---	170	170
24.0	Printing	---	---	5	5
25.2	Other Services	103	---	300	300
26.0	Supplies & materials	---	---	200	200
41.0	Grants/Subsidies/Contributions	---	---	2,000	2,000
	Total, Rail Inspectors & Canines	**$2,098**	**$7,920**	**$13,200**	**$5,280**
Full Time Equivalents		22	100	100	---

[1] Specific object class amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

TSA has been given the responsibility to ensure the compliance of security regulations and standards within the rail and mass transit modes. TSA will accomplish this with a cadre of 100 inspectors located at significant rail, mass transit, and transits centers across the United States.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,817**	**$7,920**	**$10,125**	**$2,205**

Salaries and Benefits includes costs for 197 FTEs in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $541k for annualization of prior year funds and for the proposed FY 2007 pay raise. The remainder of the increase is to annualize carryover funding used to sustain the program in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$178**	**$0**	**$400**	**$400**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY06 budget was offset with carryover funds. The FY 2007 request annualized the carryover funds to provide adequate operating expenses for rail inspectors. This funding will be used for local and extended travel to conduct multitide of transit inspections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$0**	**$0**	**$170**	**$170**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY06 budget was offset with carryover funds. The FY 2007 request annualized the carryover funds to provide adequate operating expenses for rail inspectors. This funding will be used for communication equipment and service cost.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$0**	**$5**	**$5**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY06 budget was offset with carryover funds. The FY 2007 request annualized the carryover funds to provide adequate operating expenses for rail inspectors.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$103**	**$0**	**$300**	**$300**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY06 budget was offset with carryover funds. The FY 2007 request annualized the carryover funds to provide adequate operating expenses for rail inspectors.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$0**	**$200**	**$200**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY06 budget was offset with carryover funds. The FY 2007 request annualized the carryover funds to provide adequate operating expenses for rail inspectors. This funding will be used for the mass transit canines.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$0**	**$0**	**$2,000**	**$2,000**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The FY06 budget was offset with carryover funds. The FY 2007 request annualized the carryover funds to provide adequate operating expenses for mass transit canine teams.

I. Schedule of Working Capital Fund

Not Applicable.

Department of Homeland Security

Transportation Security Administration

Transportation Threat Assessment and Credentialing

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

TRANSPORTATION SECURITY ADMINISTRATION
TRANSPORTATION THREAT ASSESSMENT & CREDENTIALING
[TRANSPORTATION VETTING AND CREDENTIALING]

I. Appropriation Overview

The Transportation Vetting & Credentialing appropriation (to be renamed as the Transportation Threat Assessment & Credentialing appropriation in FY 2007), established by Congress in FY 2006, supports compliance with the National Strategy for Homeland Security, the USA PATRIOT ACT of 2001 (P.L. 107-56), and the Aviation and Transportation Security Act of 2001 (P.L. 107-71). These laws provide direction to the Federal Government to protect homeland security, placing special emphasis on deterrence, prevention, interdiction of threats, aggression, and unlawful acts directed toward the United States. The Homeland Security Presidential Directive-11 (HSPD 11), issued August 27, 2004, directed the Department of Homeland Security (DHS), in coordination with other Federal agencies, to "enhance terrorist-related threat assessment through comprehensive, coordinated procedures ... in a manner that safeguards legal rights, including freedoms, civil liberties, and information privacy guaranteed by Federal law."

The objective of HSPD-11 is to more effectively detect and interdict individuals known to engage in terrorist activities or those who are reasonably suspected to be doing so, or who have been engaged in terrorist activities. To that end, the broad range of existing government and private sector security measures and initiatives will be augmented by a comprehensive, coordinated and integrated threat assessment environment. At the same time, implementation of HSPD-11 must facilitate the efficient movement of people, cargo, and conveyances and minimize any negative impacts on related activities. The Presidential Directive requires that these goals be achieved without compromising personal or institutional privacy and with due respect for other rights and freedoms quintessential to our way of life.

The Office of Transportation Threat Assessment and Credentialing (TTAC) within TSA supports this imperative by consolidating the management of all vetting and credentialing programs within TSA. This office consists of the following screening programs: Secure Flight, Crew Vetting, Transportation Worker Identification Credential (TWIC), Registered Traveler, Hazardous Materials Commercial Driver's License Endorsement (HAZMAT), and Alien Flight Student. The programs that comprise this appropriation are designed to enhance security to many components (air, land, sea) of the transportation sector and much of the risk-analysis being performed is scalable for use in other sectors of this dynamic network.

Through the use of passenger prescreening processes, the Secure Flight and Registered Traveler programs will improve the Federal government's ability to prevent terrorists from boarding aircrafts. The Crew Vetting program is the evaluation and analysis of airline crew lists against watch list and lost/stolen passport lists while the Alien Flight Student program conducts background and terrorist-based checks on aliens and other individuals who seek flight training in the U.S. As part of the certification process, commercial drivers seeking to haul hazardous materials across the Unites States must be cleared through a background check conducted by the Hazardous Materials CDL Endorsement program. The TWIC program provides an identity management system for higher risk

transportation workers requiring unescorted access to secure areas of the nation's transportation system. The overall purpose of these programs is to provide a structured method of assessing potential threats to the safety and security of the American public through the screening of workers and travelers throughout the transportation industry.

Since we cannot predict specific terrorist activity, the name based threat assessment methodologies employed by the programs within TTAC become a very important tool in the fight against terrorism that could quickly be leveraged to further protect the Nation's transportation system.

A. Mission Statement for Transportation Threat Assessment & Credentialing [Transportation Vetting and Credentialing]:

To reduce the probability of a successful terrorist or other criminal attack to the transportation system through application of the threat assessment methodologies that are intended to identify known or suspected terrorist threats working or seeking access to the Nation's transportation system.

B. Budget Activities:

Secure Flight
This program will consolidate airline passenger screening, that was previously done by the airline industry, under one program managed and operated by the Federal government. This consolidation meets the provisions outlined in the Intelligence Reform and Terrorism Prevention Act of 2004 (P.L. 108-458) and the recommendations of the 9/11 Commission. For the sole purpose of preventing terrorists from boarding aircraft, the Secure Flight program will use an automated process backed by consistent internal analytical procedures to compare specific passenger information against records contained in the Terrorist Screening Center Database. The Secure Flight program will concentrate on airline passengers boarding within the U.S. and its territories. Prescreening of passengers boarding internationally continues to be done by the U.S. Customs and Border Protection through its Advanced Passenger Information System (APIS). However, both programs are working towards the use of integrated systems to ensure that domestic and international pre-screening is consistent and uniformly effective. The program is currently finalizing plans for testing and rollout and is also focusing on the rulemaking process.

Crew Vetting
This program allows TSA to mitigate risk by vetting airline crews entering, departing, or overflying U.S. airspace against terrorist-related information. It uses computerized vetting and matching analysis to assess potential threats of terrorists posing as cleared aviation personnel. Crew Vetting compares airline crew lists against the FBI's Violent Gang, Terrorist Organization Files (VGTOF), TSA's No-Fly List and Selectee lists, and numerous other watch lists including: U.S. Marshall's Warrant Information Network data, and Department of State lost/stolen passport lists. Further, analysts conduct evaluations of data through classified systems to determine if any crew member is a potential threat to the aviation system.

Transportation Worker Identification Credential (TWIC)
Developed in response to threats and vulnerabilities identified in the transportation system, TWIC will establish an integrated, credential-based, identity verification program through the use of biometric technology. In order to gain unescorted access to the secure areas within the nation's transportation system, transportation workers who need access to these areas will go through

identity verification, a satisfactory background check and be issued a biometrically verifiable identity card to be used with local access systems. The prototype phase of this program ended on June 30, 2005, with an enrollment of approximately 15,000 workers. After issuance of a rule, implementation of the program will begin in FY 2007, with maritime workers receiving TWIC cards to gain entry to secure areas at U.S. sea ports. The TWIC program will be a fully fee funded program, beginning in FY 2007.

Registered Traveler
Working closely with the airline industry, this program will enable travelers to move quickly through security checkpoints. Travelers will apply for "trusted traveler" status through a simplified application process for prescreening and clearance. The information collected from the applicant is screened against terrorist and law enforcement databases. Five airports participated in the pilot program which began in the summer of 2004 and ended September 2005. A sub-pilot to test the feasibility of using a public-private partnership model for the program began in June 2005 at Orlando, Florida. As a result, the Registered Traveler program developed an implementation plan, using the public-private partnership model, which is scheduled to commence with a nationwide roll-out beginning in June 2006. The Registered Traveler program is a fully fee funded program, beginning in FY 2006.

Hazardous Materials Commercial Driver's License Endorsement (HAZMAT CDL)
Developed to implement Section 1012 of the USA PATRIOT ACT of 2001 (P.L. 107-56), the goal of this program is to support public safety by ensuring that all commercial drivers transporting hazardous materials are thoroughly checked against terrorist and criminal databases. The Department of Transportation established regulations requiring states to issue special permits to drivers in order to transport commercial materials defined as hazardous by motor vehicle. The PATRIOT ACT expanded on this by requiring a background records check for all U.S. drivers who transport hazardous materials. Commercial drivers must receive endorsement from DHS in order to haul hazardous materials across the Unites States. Any driver applying for, renewing, or transferring a Hazmat endorsement is required to undergo a terrorist name based check and a criminal history check. HazMat CDL is a fully fee funded program.

Alien Flight Student Program (AFSP)
Established under the Vision 100 – Century of Aviation Reauthorization Act (P.L. 108-176), the AFSP reviews and assesses biographic and biometric information of non-U.S. citizens or any other individual (specified by the Secretary of Homeland Security), applying for training in the operation of any aircraft (having a maximum certificated takeoff weight of more than 12,500 pounds) at FAA certified flight schools located both inside and outside the United States. These persons are subject to a security threat assessment based on background and terrorist-based checks. Since its transfer to TSA from Federal Bureau of Investigation in July 2004, this program has been expanded to vet pilots seeking training in aircraft weighing under 12,500. This action was taken to mitigate a critical security weakness in the legislation. Although the AFSP is a fully fee funded mandatory program, TSA does not have the authority to collect fees to offset costs for vetting pilots seeking recurrent training. TSA currently vets this population to confirm their identity and their recurring training status. TSA is proposing a legislative language in the FY 2007 Budget that would authorize the collection of fees to offset costs for vetting this population.

C. Budget Request Summary:

For FY 2007, the Transportation Security Administration requests 118 positions, 118 FTE, $54,700,000 in appropriated funding and $76,101,000 in fee authority for a total budget authority

of $130,801,000. The total includes adjustments-to-base of 7 FTE, and $15,555,000. The adjustments-to-base include revisions to the estimated fee collections in FY 2007 for the Registered Traveler and TWIC programs. It also includes base reductions of $21,334,000 for adjustments to the Secure Flight program and the elimination of the Screening Administration and Operations line item.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Secure Flight[1]	---	$0	51	$56,129	51	$40,000	---	($16,129)	---	---	---	($16,129)
Crew Vetting[1]	---	---	42	13,167	42	14,700	---	1,533	---	---	---	1,533
Screening Administration and Operations	---	---	---	4,950	---	---	---	(4,950)	---	---	---	(4,950)
Registered Traveler Program fees[1]	---	---	12	20,000	12	35,101	---	15,101	---	---	---	15,101
TWIC fees[2]	---	---	---	---	7	20,000	7	20,000	---	---	7	20,000
HAZMAT CDL fees *[HAZMAT Fees]*	---	---	6	19,000	6	19,000	---	---	---	---	---	---
Alien Flight School fees (mandatory)	---	---	---	2,000	---	2,000	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	**---**	**$0**	**111**	**$115,246**	**118**	**$130,801**	**7**	**$15,555**	**---**	**$0**	**7**	**$15,555**
Less: Adjustments for Other Funding Sources:												
Credentialing Fees-Discretionary												
Registered Traveler Program fees	---	---	---	(20,000)	---	(35,101)	---	(15,101)	---	---	---	(15,101)
TWIC fees	---	---	---	---	---	(20,000)	---	(20,000)	---	---	---	(20,000)
HAZMAT CDL fees	---	---	---	(19,000)	---	(19,000)	---	---	---	---	---	---
Credentialing Fees-Mandatory												
Alien Flight School fees	---	---	---	(2,000)	---	(2,000)	---	---	---	---	---	---
Net, Discretionary Appropriations and Budget Estimates	**---**	**$0**	**111**	**$74,246**	**118**	**$54,700**	**7**	**($19,546)**	**---**	**$0**	**7**	**($19,546)**

[1]In FY 05, these program were funded under the Aviation Security appropriation.
[2]In FY 05, the TWIC program was funded under the Maritime & Land appropriation.

III. Current Services Program Description by PPA

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
[Transportation Vetting and Credentialing]
Program Performance Justification
(Dollars in thousands)

PPA: SECURE FLIGHT

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**51**	**51**	**56,129**
2007 Adjustments-to-Base	...		(16,129)
2007 Current Services	**51**	**51**	**40,000**
2007 Program Change	...	...	...
2007 Request	**51**	**51**	**40,000**
Total Change 2006-2007	...	...	(16,129)

Transportation Security Administration requests $40 million for this activity. This is a decrease of $16.1 million from FY 2006. The decrease is a base adjustment to reflect a revised implementation schedule of the Secure Flight program.

CURRENT SERVICES PROGRAM DESCRIPTION:

On August 26, 2004, the Secretary announced that DHS would pursue a new domestic pre-screening program called Secure Flight. This new Secure Flight program addresses the 9/11 Commission recommendations regarding use of watch lists, and reflects input received from Congress, the privacy and civil liberties communities, the aviation community, airline travelers and DHS's international partners.

Secure Flight will shift the responsibility of checking passengers against terrorist watch lists (which currently falls to the domestic and foreign air carriers) to the Federal government, thus improving the consistency of and response to watch list comparisons. Domestic flight passenger name record (PNR) information will be compared against records contained in the Terrorist Screening Center Database (TSDB). Secure Flight will significantly improve the Federal government's ability to prevent terrorists from boarding aircraft, help move passengers through airport screening more quickly, and reduce the number of individuals selected for secondary screening, while fully protecting passengers' privacy and civil liberties.

Consolidating these checks within the Federal government will allow the automation of most watch list comparisons and apply more consistent internal analytical procedures where automated resolution of initial "hits" is not possible. It will also allow for more consistent response procedures at airports for those passengers identified as potential matches. Significant progress has already been made by the U.S. government in providing greatly expanded No-Fly and Selectee lists to airlines to conduct checks on their own systems. Once Secure Flight is operational, the U.S. Government will have the responsibility of conducting these checks.

International passenger pre-screening will continue to be conducted by U.S. Customs and Border Protection (USCBP) through its Advanced Passenger Information System (APIS). These checks are mandated by U.S. law. The Secure Flight program would work hand-in-hand with USCBP, including the use of integrated systems, to ensure that domestic and international pre-screening is consistent and uniformly effective.

The Secure Flight's goals are to improve the security and safety of travelers on domestic flights, reduce passenger airport screening time, and protect privacy and civil liberties. Secure Flight will fully protect the civil liberties and privacy of passengers and will include robust redress mechanisms to assist passengers with resolving instances in which they believe they have been unfairly or incorrectly selected for additional screening.

The Secure Flight program is also fully committed to successfully meeting all of the recommendations from the General Accountability Office's (GAO) March 28, 2005 report as required by the Department of Homeland Security Appropriations Act of 2006, (P.L. 109-90). . TSA will continue to work with GAO in order to meet the requirements, secure the certification for the Secretary, and allow GAO to report to Congress.

The Secure Flight Program requires air carriers to modify their systems in order to implement the program. Air carriers will not begin any modifications until the rule is issued. Accordingly, status and implementation of Secure Flight is tied directly to the issuance of the rule. To prepare the carriers for the rule, the Secure Flight team has been engaged with the air carriers to jumpstart technical developments and interfaces. The rulemaking process will be a priority in FY 2006.

"The FY2007 Request will allow the program to maintain operational support of the Secure Flight platform. The timeline for roll-out to subsequent carriers will be decided once these plans are approved. The program is committed to providing a secure, high quality, service that protects individual privacy."

PPA: CREW VETTING

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**42**	**42**	**13,167**
2007 Adjustments-to-Base	...		1,533
2007 Current Services	**42**	**42**	**14,700**
2007 Program Change	...	...	...
2007 Request	**42**	**42**	**14,700**
Total Change 2006-2007	...	...	1,533

Transportation Security Administration requests $14.7 million for this activity. This is an increase of $1.5 million from FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This program allows TSA to mitigate risk by vetting airline crew members entering, departing, or overflying U.S. airspace. It uses computerized and manual vetting and matching analysis to assess potential threats of terrorists posing as cleared aviation or other transportation system personnel. The vetting compares airline crew lists and other transportation program personnel against the FBI's Violent Gang, Terrorist Organization Files (VGTOF), TSA's No Fly and Selectee lists, U.S. Marshall's Warrant Information Network, the Immigration and Customs Enforcement Deportable Alien Control System, and Department of State lost/stolen passport lists. This analysis allows analysts to evaluate the collected data to determine whether or not any crewmember is a potential threat to the aviation or other transportation systems.

The Crew Vetting Program is required to maintain a 24/7 operations center in order to have the ability to receive and analyze Flight Crew Manifests (FCM) and Master Crew List (MCL) from the airlines at anytime of day. The FCM are received 24 hours in advance of take-off, or 2 hours in the event of a crew change, and identify which crew members will be onboard a particular flight. These individuals are then vetted against the various watch-lists to identify potential security threats. The same timelines apply for General Aviation personnel flying into Reagan National Airport.

In FY 2007, it is anticipated that integration and testing of the Crew Vetting application onto the Secure Flight system platform will be completed. Steady state operation of the Crew Vetting application is also anticipated to be achieved in FY 2007. The FY 2007 Request of $14.7 million will allow TSA to continue these activities and provide the necessary crew vetting program and contract support, system maintenance, and transaction costs.

PPA: REGISTERED TRAVELER (fee authority)

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**12**	**12**	**20,000**
2007 Adjustments-to-Base	...		15,101
2007 Current Services	**12**	**12**	**35,101**
2007 Program Change	...	...	...
2007 Request	**12**	**12**	**35,101**
Total Change 2006-2007	...	...	15,101

Transportation Security Administration requests $35.1 million in fee collection authority for this activity. This is an increase of $15.1 million from FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Registered Traveler (RT) program increases the efficiency with which screeners and security resources are aligned. Travelers who provide limited personal information for a vetting process would, in return, receive the benefit of expedited processing through security checkpoints, which may include not having to remove shoes or coats or displaying computer equipment. Threat assessment resources can then be focused on unvetted travelers.

The RT Pilot Programs were initiated in five airports during the summer of 2004. In partnership with Northwest Airlines, United Airlines, Continental, and American Airlines, TSA established pilot programs at Minneapolis-St. Paul (MSP), Los Angeles (LAX), Houston International (IAH), Boston (BOS) and Washington, DC (DCA). Each of the five pilot programs enrolled approximately 2,000 people, who were invited to participate by the airlines from among their "very frequent" fliers. Participation was limited to U.S. citizens, U.S. nationals, and permanent legal residents of the U.S. Participation in the pilot program was entirely voluntary and free of charge.

Participating passengers provided personal biographic data including: name, address, phone number, date of birth, and in some locations, social security number. In addition, participants provided biometric information by fingerprint and/or iris scan. The validity of the document was verified using electronic document scanners. The biometric information was used to perform a name-based check against Federal terrorist watch-lists, databases of outstanding warrants, and similar government databases. Participants used biometric readers at special kiosks to confirm his/her identity before going through the normal TSA checkpoint. The pilot programs were specifically designed to test the effectiveness of the technology and operational processes and concluded in September 2005.

In June 2005, TSA initiated a sub-pilot at Orlando International Airport (MCO) called the Private Sector Known Traveler Program to engage the private sector and determine the feasibility, advantages and disadvantages of using a public-private partnership. This sub-pilot varied from the others in that it charged participants a fee of $80 to test whether travelers are willing to pay a fee to participate in such a program.

Because of the success of these pilots, TSA announced in October of 2005 an RT roll-out strategy based on a public-private partnership model. The first key date was January 20, 2006 where TSA issued guidance to the industry regarding the collection and storage of biometrics on a security card and announced the redress process. To ensure consistency at all participating airports, TSA will establish stringent interoperability requirements to guarantee that participants will be provided with consistent and reliable service as they travel through various airports.

The FY 2007 fee collection estimate assumes continued operational support to the airports where RT will be implemented in FY 2006 and the implementation at additional airports in FY 2007 as plans are approved. The fees collected and retained by the Federal government will be used to cover operational costs.

PPA: TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL (fee authority)

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	...	...	...
2007 Adjustments-to-Base	7	7	20,000
2007 Current Services	**7**	**7**	**20,000**
2007 Program Change	...	...	...
2007 Request	**7**	**7**	**20,000**
Total Change 2006-2007	7	7	20,000

Transportation Security Administration requests $20 million in fee collection authority for this activity. This is an increase of 7 positions, 7 FTE, and $20 million above the FY 2006 revised enacted level which reflects TSA's current estimate for TWIC fee collections in FY 2006 ($0).

CURRENT SERVICES PROGRAM DESCRIPTION:

The Transportation Worker Identification Credential (TWIC) Program will improve security by establishing an integrated, credential-based, identity management program for transportation workers requiring unescorted access to secure areas of the nation's transportation system. When fully implemented, the program will ensure that the identity of each TWIC holder has been verified; that a satisfactory background check has been completed on that identity; and, that each credential issued is positively linked to the rightful holder through the use of biometric technology.

The TWIC Program was developed in response to threats and vulnerabilities identified in the transportation system, and in accordance with the spirit and requirements of the Aviation and Transportation Security Act of 2001 (P.L. 107-71), and the Maritime Transportation Security Act of 2002 (P.L. 107-295). The program is taking a risk-based approached as it rolls-out at the Nation's seaports by utilizing the national port criticality list that prioritizes ports based on risk, threat, and vulnerability analysis. Currently, TWIC is preparing to support the Maritime industry, but its functionality has been tested and could expand into other transportation sectors if necessary.

TWIC's personal identity verification (PIV) standards closely adhere to those of Homeland Security Presidential Directive 12 (HSPD-12), and its implementing standard, Federal Information Processing Standard (FIPS) 201. The TWIC system is also designed to comply with other Government standards for Smart Cards and credential issuance.

The TWIC program is on the leading edge of newly released biometric standards and was first to adopt those common biometric standards in the Federal government. Adhering to these standards will insure interoperability among physical access control systems that may incorporate different vendor products and technologies. TWIC specifically follows biometric standards of the American National Standards Institute (ANSI) for its pattern-based fingerprint format operational biometric.

The program completed the prototype phase on June 30, 2005 and began evaluating the results and establishing a business model for moving forward. The program was expected to be launched

during FY 2006 but has been delayed to accommodate the additional time for review and rulemaking. Pending approval of program plans and the rule, the FY 2007 request reflects the anticipated fee collections resulting from implementation of the program to maritime ports in FY 2007.

PPA: HAZARDOUS MATERIALS CDL ENDORSEMENT PROGRAM (fee authority)

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**6**	**6**	**19,000**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	**6**	**6**	**19,000**
2007 Program Change	...	...	...
2007 Request	**6**	**6**	**19,000**
Total Change 2006-2007	...	...	...

Transportation Security Administration requests $19 million in fee collection authority for this activity. This is the same level as the FY 2006 revised enacted amount which reflects the current Registered Traveler fee collection estimates for FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Developed to implement Section 1012 of the USA PATRIOT ACT of 2001 (P.L. 107-56), the purpose of this program is to conduct background checks on drivers applying for, renewing or transferring, a hazardous materials endorsement (HME) on their state issued commercial drivers license (CDL). Drivers identified as a "security threat" would be denied the Hazmat endorsement. Successful execution of this program will enhance the security and safety of the nation's transportation system.

TSA issued an Interim Final Rule (IFR) on May 5, 2003, requiring background checks to be conducted on truck drivers who carry hazardous materials. Commercial drivers must receive the endorsement (HME) from DHS in order to haul hazardous materials across the Unites States. In addition to submitting biographical and biometric information, applicants must pay a fee to cover the cost of the checks. Regulations prohibit issuance of HMEs to individuals who: 1) have been convicted of certain felonies, under particular circumstances; 2) are fugitives; 3) are not U.S. citizens, lawful permanent residents, or lawful non-immigrants, refugees, or asylees with valid evidence of unrestricted employment authorization; 4) have been adjudicated as mentally incompetent or involuntarily committed to a mental institution; or 5) who are determined to pose a threat of terrorism or a threat to national transportation security. As a result of this program, 579 applicants were denied a Hazmat endorsement in FY 2005.

In FY 2007, the program anticipates performing fingerprint-based checks on nearly 400,000 Hazardous Material Endorsement (HME) holders. This is a 30 percent increase over FY 2006 projected levels and affirms the programs vital role of improving the safety and protection of passengers and freight traveling on our Nation's highways.

The Hazmat program is fully fee funded, which currently collects $56 per applicant to cover the cost of the TSA security threat assessment ($34) and for an FBI criminal history check ($22). The $56 fee is collected in the thirty-three states and the District of Columbia which have chosen to use TSA's agent for fingerprint collection and processing (this represents 61 percent of the total driver population). The remaining seventeen states are responsible for their own fingerprint collection and submission to the FBI, but must still submit the $34 fee for the TSA assessment. The FY 2007 Request provides full funding from fee collection for operational costs including:

federal employee personnel compensation and benefits, contract support, equipment and software maintenance, fingerprint processing costs, and adjudication costs.

PPA: ALIEN FLIGHT STUDENT PROGRAM (mandatory fee authority)

	Perm Pos	FTE	Amount
2005 Actual	...	...	
2006 Revised Enacted	...	...	**2,000**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	**...**	**...**	**2,000**
2007 Program Change	...	...	---
2007 Request	**...**	**...**	**2,000**
Total Change 2006-2007	...	...	...

Transportation Security Administration requests $2 million in fee collection authority for this activity. This is the same level as the FY 2006 revised enacted amount.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Alien Flight Student Program (AFSP) conducts terrorist, immigration, and criminal-background checks on all alien flight students applying for FAA flight training in the U.S. or abroad. Applicants include pilots/student pilots training on aircraft weighing more than, and less than, 12,500 pounds and are subject to a security threat assessment in accordance with Vision 100 – Century of Aviation Reauthorization Act (P.L. 108-176). Pilots identified as a "security threat" under this program will be denied training. Successful execution of this program will enhance the security and safety of the Nation's transportation system.

The Program reviews and assesses both biographic and biometric information in order to help identify individuals who pose a security threat to aviation or national security. Prior to the September 11th attacks, there was no systematic security checks performed on alien pilots who receive flight training at FAA certified flight schools located both inside and outside the United States.

In FY 2007, the AFSP anticipates processing approximately 15,000 applicants. The program also expects to move all 10-print fingerprints to a common DHS platform, which will allow for the leveraging of program data to other DHS components. This effort is of particular interest to Immigration and Customs Enforcement's (ICE) Student and Exchange Visitor Information System (SEVIS) and will enhance both programs capability to more closely monitor attendance and status of students in training.

AFSP is a fee funded program that currently collects a fee of $130 per applicant. This fee includes $98 for extensive TSA international and domestic threat assessments, $22 for an FBI criminal history records check, and $10 for fingerprint and application processing. The FY 2007 Request provides full funding from fee collection for operational costs including: contract support, equipment and software maintenance, fingerprint processing costs, and adjudication costs.

PPA: SCREENING ADMINISTRATION AND OPERATIONS

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**...**	**...**	**4,950**
2007 Adjustments-to-Base	...	...	(4,950)
2007 Current Services	**...**	**...**	**...**
2007 Program Change	...	...	...
2007 Request	**...**	**...**	**...**
Total Change 2006-2007	...	...	(4,950)

Transportation Security Administration requests no funding for this activity in FY 2007 as the PPA was originally intended to fund start-up costs for new credentialing programs. This represents a decrease of $4.95 million from FY 2006.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Transportation Security Administration
Justification of Proposed Changes in
Transportation [Vetting] *Threat Assessment* and Credentialing
Appropriation Language

For necessary expenses for the development and implementation of screening programs [of the Office of] ***for*** Transportation [Vetting] ***Threat Assessment*** and Credentialing, [$74,996,000] ***$54,700,000*** to remain available until September 30, [2007] ***2008***. (Department of Homeland Security Appropriations Act, 2006.)

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	**$0**
2006 Revised Enacted[1]	**111**	**111**	**115,246**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	---	---	123
2007 pay increase	---	---	185
Non-pay inflation excluding GSA Rent	---	---	232
Fee Collection Adjustments	7	7	35,101
Other base increases	---	---	1,248
Total Increases	7	7	36,889
Decreases			
Secure Flight adjustment	---	---	(16,384)
Screening Admin. & Ops. adjustment	---	---	(4,950)
Total Decreases	---	---	(21,334)
Total Adjustments-to-Base	7	7	**15,555**
2007 Current Services	**118**	**118**	**130,801**
Program Changes			
Total Program Changes	---	---	---
2007 Request	**118**	**118**	**130,801**
2006 to 2007 Total Change	7	7	**15,555**

[1]Enacted Amount includes both appropriated funds totaling $74,246,000 and fee funding totaling $41,000,000.

C. Summary of Requirements

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual			
2006 Revised Enacted	**111**	**111**	**115,246**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	7	7	36,889
Decreases	---	---	(21,334)
Total Adjustments-to-Base	7	7	15,555
2007 Current Services	**118**	**118**	**130,801**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	**118**	**118**	**130,801**
2006 to 2007 Total Change	7	7	15,555

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Secure Flight	51	51	$56,129	---	---	$40,000	---	---	$ ---	51	51	$40,000	---	---	($16,129)
2 Crew Vetting	42	42	13,167	---	---	14,700	---	---	---	42	42	$14,700	---	---	1,533
3 Screening Administration and Operations	---	---	4,950	---	---	---	---	---	---	---	---	$0	---	---	(4,950)
4 Registered Traveler (Fees)	12	12	20,000	---	---	35,101	---	---	---	12	12	$35,101	---	---	15,101
5 TWIC (Fees)	---	---	---	7	7	20,000	---	---	---	7	7	$20,000	7	7	20,000
6 HAZMAT (Fees)	6	6	19,000	---	---	19,000	---	---	---	6	6	$19,000	---	---	---
7 Alien Flight Student Program	---	---	2,000	---	---	2,000	---	---	---	---	---	2,000	---	---	---
Total	**111**	**111**	**$115,246**	**7**	**7**	**$130,801**	**---**	**---**	**$0**	**118**	**118**	**$130,801**	**7**	**7**	**$15,555**

Note:

D. Summary of Reimbursable Resources

Not Applicable.

E. Summary of Requirements by Object Class

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes[1]	2005 Actual[2]	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$0	$8,596	$9,426	$830
12.1 Benefits	$0	$2,567	$2,846	279
Total, Personnel Comp. & Benefits	**$0**	**$11,163**	**$12,272**	**$1,109**
Other Object Classes:				
21.0 Travel	$0	$522	$445	(77)
22.0 Transportation of things	$0	$21	$26	5
23.2 Other rent	$0	$2,564	$2,692	128
23.3 Communications, utilities, & other misc. charges	$0	$847	$869	22
24.0 Printing and reproduction	$0	$2	$4	2
25.1 Advisory and assistance services	$0	$8,147	$13,252	5,105
25.2 Other services	$0	$83,708	$82,824	(884)
26.0 Supplies and materials	$0	$46	$39	(7)
31.0 Equipment	$0	$8,226	$18,379	10,153
Total, Other Object Classes	**$0**	**$104,083**	**$118,529**	**$14,446**
Total, Direct Obligations	**$0**	**$115,246**	**$130,801**	**$15,555**
Unobligated balance, start of year	---	---	---	
Unobligated balance, end of year	---	---	---	
Recoveries of prior year obligations	---	---	---	
Total requirements	**$0**	**$115,246**	**$130,801**	

[1]Specific object classs amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

[2]In FY 05, the Secure Flight, Crew Vetting and Registered Traveler Programs were funded under the Aviation Security appropriation and the TWIC program was funded under the Maritime & Land appropration.

F. Permanent Positions by Grade

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	2	2	---
L Band	---	4	4	---
K Band	---	25	27	2
J Band	---	21	24	3
I Band	---	13	15	2
H Band	---	19	19	---
G Band	---	19	19	---
F Band	---	8	8	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	---	**111**	**118**	**7**
Unfilled Positions EOY		---	---	---
Total Perm. Employment EOY		111	118	7
FTE	---	**111**	**118**	7
Headquarters	---	111	118	7
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	---	**111**	**118**	**7**
Average ES Salary	$ ---	$ 158,516	$ 163,430	$ 4,914
Average Salary, Banded Po	$ ---	$ 89,760	$ 92,542	$ 2,782
Average Band		I	I	

G. Capital Investment and Construction Initiative Listing

Not applicable.

H. PPA Budget Justifications

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Secure Flight
Funding Schedule
(Dollars in Thousands)

PPA: Secure Flight		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
11.1	Perm Positions		$4,547	$4,635	$88
12.1	Benefits		1,358	1,384	26
21.0	Travel		260	185	(75)
22.0	Transportation of things		11	8	(3)
23.2	Other rent		2,564	2,692	128
23.3	Communication, Utililities, and misc charges		777	790	13
25.1	Advisory & Assistance Services		1,053	---	(1,053)
25.2	Other Services		44,757	29,734	(15,023)
26.0	Supplies & materials		4	3	(1)
31.0	Equipment		798	569	(229)
	Total, Secure Flight	**$0**	**$56,129**	**$40,000**	**($16,129)**
Full Time Equivalents			51	51	---

[1]Specific object classs amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The mission of the Secure Flight Program is to significantly improve the Federal government's ability to prevent terrorists from boarding aircraft, help move passengers through airport screening more quickly, and reduce the number of individuals selected for secondary screening, while fully protecting passengers' privacy and civil liberties.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$5,905**	**$6,019**	**$114**

Salaries and Benefits includes costs for 51 FTEs in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $114,000 for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$260**	**$185**	**($75)**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. As the Secure Flight program begins implementation in FY 2006, travel is necessary to conduct on-site reviews and meetings with participating partners. The FY 2007 request includes a decrease of $75,000 to reflect a revised rollout schedule for the Secure Flight platform.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$11**	**$8**	**($3)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things. The FY 2007 request includes a decrease of $3,000 to reflect a revised rollout schedule for the Secure Flight platform.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$0**	**$2,564**	**$2,692**	**$128**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $44,000 for non-pay inflation and $84,000 for annualization.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$777**	**$790**	**$13**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, and utility services. TSA is dependant upon communications lines and utilities to run the Secure Flight platform. The FY 2007 request includes an increase of $13,000 for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$1,053**	**$0**	**($1,053)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that are private sector, foreign governments, State and local governments, tribes, etc) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $1,053,000 to reflect a revised rollout schedule for the Secure Flight platform.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$44,757**	**$29,734**	**($15,023)**

Other services include contractual services with non-Federal sources that are not otherwise classified under object class 25. Contracting services will be the primary vehicle by which the Secure Flight program will be implemented and operated in regard to connectivity with air carriers and the processing of security checks. The FY 2007 request includes a decrease of $15,023,000 to reflect a revised rollout schedule for the Secure Flight platform.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$4**	**$3**	**($1)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes a decrease of $1,000 to reflect a revised rollout schedule for the Secure Flight platform.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$798**	**$569**	**($229)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. This costs include equipment that will be purchased for the Secure Flight program outside of contracts for rollout and sustainment of the program. The FY 2007 request includes a decrease of $229,000 to reflect a revised rollout schedule for the Secure Flight platform.

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Crew Vetting
Funding Schedule
(Dollars in Thousands)

PPA: Crew Vetting		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
11.1	Perm Positions		$2,827	$2,881	$54
12.1	Benefits		844	861	17
21.0	Travel		156	174	18
23.3	Communication, Utililities, and misc charges		35	39	4
25.2	Other Services		8,938	10,264	1,326
26.0	Supplies & materials		28	31	3
31.0	Equipment		339	450	111
	Total, Crew Vetting	**$0**	**$13,167**	**$14,700**	**$1,533**
Full Time Equivalents			42	42	---

[1]Specific object classs amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The mission of the Crew Vetting Program is to mitigate risk by vetting airline crews entering, departing, or overflying U.S. airspace using computerized vetting and matching analysis that will assess potential threats of terrorists posing as cleared aviation or other transportation system personnel.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$3,671**	**$3,742**	**$71**

Salaries and Benefits includes costs for 42 FTEs in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $71,000 for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$156**	**$174**	**$18**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Travel is necessary to conduct on-site reviews and meetings with the vetting center in Colorado Springs, CO. The FY 2007 request includes an increase of $2,000 for non-pay inflation and $16,000 for annualization.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$35**	**$39**	**$4**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, and utility services. TSA is dependant upon communications lines and utilities to run the vetting systems. The FY 2007 request includes an increase of $4,000 for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$8,938**	**$10,264**	**$1,326**

Other services include contractual services with non-Federal sources that are not otherwise classified under object class 25. Contracting services are critical to the maintenance and operation of vetting systems and communication systems with the air carriers. TSA also uses contracts to adjudicate hits and discrepancies in within the system. The FY 2007 request includes an increase of $163,000 for non-pay inflation and $1,163,000 to pay for additional contracted services including installation of replacement equipment.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$28**	**$31**	**$3**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $3,000 for annualization.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$339**	**$450**	**$111**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $6,000 for non-pay inflation, $20,000 for annualization and $85,000 for purchase of equipment outside of contracting services.

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Registered Traveler
Funding Schedule
(Dollars in Thousands)

PPA: Registered Traveler		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
11.1	Perm Positions		$765	$873	$108
12.1	Benefits		229	261	32
21.0	Travel		25	44	19
22.0	Transportation of things		5	9	4
23.3	Communication, Utililities, and misc charges		10	18	8
24.0	Printing		1	2	1
25.1	Advisory & Assistance Services		5,000	9,158	4,158
25.2	Other Services		10,002	17,555	7,553
26.0	Supplies & materials		1	2	1
31.0	Equipment		3,962	7,180	3,218
	Total, Registered Traveler	**$0**	**$20,000**	**$35,101**	**$15,101**
Full Time Equivalents			12	12	---

[1]Specific object classs amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The mission of the Registered Traveler Program is to increase the efficiency with which screeners and security resources are aligned. Travelers will achieve an expedited processing through security checkpoints by providing limited personal information that assures DHS of their good faith.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$994**	**$1,134**	**$140**

Salaries and Benefits includes costs for 12 FTE in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $140,000 for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$25**	**$44**	**$19**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Travel is necessary to conduct on-site reviews and meetings with the airport operaters and aircarriers as the Registered Traveler is implemented. The FY 2007 request includes an assumption of $19,000 in fee collection to cover full year operational costs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$5**	**$9**	**$4**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things. The FY 2007 request includes an increase of $4,000 in fee collection adjustments to cover increased costs associated with the full-year operation of Registered Traveler.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$10**	**$18**	**$8**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, and utility services. The FY 2007 request includes an increase of $8,000 in fee collection adjustments to cover increased costs associated with the full-year operation of Registered Traveler.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$1**	**$2**	**$1**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. TSA uses printed media to inform the public and airports and air carriers about the Registered Traveler program. The FY 2007 request includes an increase of $1,000 in fee collection adjustments associated with the full-year operation costs of the Registered Traveler program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$5,000**	**$9,158**	**$4,158**

Advisory and assistance services include services acquired by contract from non-Federal sources (that are private sector, foreign governments, State and local governments, tribes, etc) as well as from other units within the Federal Government. TSA uses these types of contracts to assist in the development and implementation of the Registered Traveler Program. The FY 2007 request includes an increase of $4,158,000 fee collection adjustments as full-year operational costs are realized.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$10,002**	**$17,555**	**$7,553**

Other services include contractual services with non-Federal sources that are not otherwise classified under object class 25. Contracting services will be the primary vehicle by which the Registered Traveler program will be implemented and operated in regard to connectivity with airport operators and air carriers. The operational contracts include the adjudication of cases where individuals are denied participation in the program or access through the RT checkpoint. The FY 2007 request includes an increase of $7,553,000 in fee collection adjustments for full-year costs of the program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$1**	**$2**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $1,000 in fee collection adjustments associated with the full-year costs of the program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$3,962**	**$7,180**	**$3,218**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. This costs include equipment that will be purchased for the Registered Traveler program outside of contracts for rollout and sustainment of the program. The FY 2007 request includes an increase of $3,218,000 in fee collection adjustments associated with the full-year costs of the program.

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Transportation Workers Identification & Credentialing
Funding Schedule
(Dollars in Thousands)

PPA: Transportation Workers Identification & Credentialing		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
11.1	Perm Positions			$580	$580
12.1	Benefits			204	204
21.0	Travel			20	20
22.0	Transportation of things			4	4
23.3	Communication, Utililities, and misc charges			10	10
24.0	Printing			1	1
25.1	Advisory & Assistance Services			2,000	2,000
25.2	Other Services			10,000	10,000
26.0	Supplies & materials			1	1
31.0	Equipment			7,180	7,180
	Total, TWIC	**$0**	**$0**	**$20,000**	**$20,000**
Full Time Equivalents			---	7	7

[1]Specific object classs amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The mission of the TWIC Program is to establish an integrated, credential-based, identity verification program through the use of biometric technology to grant workers unescorted access to secure areas within the nation's transportation system.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$0**	**$784**	**$784**

Salaries and Benefits includes an increase of $784,000 for the proposed FY 2007 pay raise and an increase of 7 FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$0**	**$20**	**$20**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Travel is necessary to conduct on-site reviews and meetings with maritime port operators as the TWIC is implemented. The FY 2007 request includes an increase of $20,000 to correspond with the commencement of fee collections and subsequent payment for travel expenses from fee collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$0**	**$4**	**$4**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things. The FY 2007 request includes an increase of $4,000 to correspond with the commencement of fee collections and subsequent payment for transportation expenses from fee collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$0**	**$10**	**$10**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, and utility services. TSA is dependant upon communications lines and utilities to run the various systems between TSA, the ports, and the TWIC card production facility. The FY 2007 request includes an increase of $10,000 to correspond with the commencement of fee collections and subsequent payment for communications and utilities expenses from fee collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$0**	**$1**	**$1**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. TSA uses printed media to inform the public and port operators about the TWIC program. The FY 2007 request includes an increase of $1,000 to correspond with the commencement of fee collections and subsequent payment for printing expenses from fee collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$0**	**$2,000**	**$2,000**

Advisory and assistance services include services acquired by contract from non-Federal sources (that are private sector, foreign governments, State and local governments, tribes, etc) as well as from other units within the Federal Government. TSA uses these types of contracts to assist in the development and implementation of the TWIC program. The FY 2007 request includes an increase of $2,000,000 to correspond with the commencement of fee collections and subsequent payment for advisory services from fee collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$0**	**$10,000**	**$10,000**

Other services include contractual services with non-Federal sources that are not otherwise classified under object class 25. Contracting services will be the primary vehicle by which the TWIC program will be implemented and operated in regard to implementation and connectivity with port operators and the TWIC card production facility. The operational contracts include the adjudication of cases where individuals are denied a TWIC card. The FY 2007 request includes an increase of $10,000,000 to correspond with the commencement of fee collections and subsequent payment for contractual services from fee collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$0**	**$1**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $1,000 to correspond with the commencement of fee collections and subsequent payment for supplies and materials from fee collections.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$0**	**$7,180**	**$7,180**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. These costs include equipment that will be purchased for the TWIC program outside of contracts for implementation and sustainment of the program. The FY 2007 request includes an increase of $7,180,000 to correspond with the commencement of fee collections and subsequent payment for TWIC equipment at the ports and the card production facility from fee collections.

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Hazardous Materials CDL

Funding Schedule

(Dollars in Thousands)

PPA: Hazardous Materials CDL		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
11.1	Perm Positions		$457	$457	$0
12.1	Benefits		136	136	---
21.0	Travel		20	20	---
22.0	Transportation of things		4	4	---
23.3	Communication, Utilities, and misc charges		10	10	---
24.0	Printing		1	1	---
25.1	Advisory & Assistance Services		2,000	2,000	---
25.2	Other Services		13,371	13,371	---
26.0	Supplies & materials		1	1	---
31.0	Equipment		3,000	3,000	---
	Total, HazMat CDL	**$0**	**$19,000**	**$19,000**	**$0**
Full Time Equivalents			6	6	---

[1]Specific object classs amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The mission of the HazMat Program is to support public safety by ensuring that all commercial drivers transporting hazardous materials are thoroughly checked against terrorist and criminal databases and receive the appropriate endorsement from DHS.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$593**	**$593**	**$0**

Salaries and Benefits includes costs for 6 FTE in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes a $0 net increase for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$20**	**$20**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Travel is necessary to conduct on-site reviews and meetings with state and local stakeholders in the HazMat CDL program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$0	$4	$4	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charge	$0	$10	$10	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, and utility services. TSA is dependant upon communications lines and utilities to run the various systems that facilitate the vetting and adjudication of the HazMat CDL checks.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$0	$1	$1	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. TSA uses printed media to inform the states and trucking industry about the HazMat CDL program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$0	$2,000	$2,000	$0

Advisory and assistance services include services acquired by contract from non-Federal sources (that are private sector, foreign governments, State and local governments, tribes, etc) as well as from other units within the Federal Government. TSA uses these types of contracts to assist in the efficiency and effectiveness of the HazMat CDL program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$0	$13,371	$13,371	$0

Other services include contractual services with non-Federal sources that are not otherwise classified under object class 25. Contracting services are used extensively in the systems operation and case adjudication of the HazMat CDL program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$1**	**$1**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$3,000**	**$3,000**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. This costs include equipment that will be purchased for the TWIC program outside of contracts for implementation and sustainment of the program.

Department of Homeland Security
Transportation Security Administration
Transportation Threat Assessment & Credentialing
Alien Flight
Funding Schedule
(Dollars in Thousands)

PPA: Alien Flight		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes[1]:					
21.0	Travel		2	2	---
22.0	Transportation of things		1	1	---
23.3	Communication, Utililities, and misc charges		2	2	---
25.1	Advisory & Assistance Services		94	94	---
25.2	Other Services		1,900	1,900	---
26.0	Supplies & materials		1	1	---
Total, Alien Flight		**$0**	**$2,000**	**$2,000**	**$0**
Full Time Equivalents			---	---	---

[1]Specific object classs amounts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

PPA Mission Statement

The mission of the Alien Flight Student Program is to to help identify individuals deemed as potential terrorists or who pose a security threat to either aviation or national security. This program reviews and assesses biographic and biometric information of non-U.S. citizens and other individuals who seek flight training at FAA certified flight schools located both inside and outside the United States.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$2**	**$2**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Minimal travel is required for this program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$1**	**$1**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incidental to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$0**	**$2**	**$2**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$94**	**$94**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that are private sector, foreign governments, State and local governments, tribes, etc) as well as from other units within the Federal Government. TSA uses these types of contracts to assist in the efficiency and effectiveness of the Alien Flight Student program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$1,900**	**$1,900**	**$0**

Other services include contractual services with non-Federal sources that are not otherwise classified under object class 25. Contracting services are used extensively in the systems operation and case adjudication of the Alien Flight Student program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$1**	**$1**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

I. Schedule of Working Capital Fund

Not Applicable.

Department of Homeland Security

Transportation Security Administration

Transportation Security Support

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Transportation Security Administration
Transportation Security Support Appropriation

I. Appropriation Overview

A. Mission:

The Transportation Security Administration is an agency of over 50,000 personnel, with over $6 billion in budget authority, substantial regulatory and law enforcement authority, and a nationwide presence. The management and support of the organization are accomplished by a transportation security support staff and five strategically located Mission Support Centers (MSCs). TSA has developed and will maintain a flat organizational structure that emphasizes front-line service delivery with well-trained managers that are supported by an array of services from Washington, D.C. The MSCs and deployed personnel provide corresponding field operations personnel with direct and economical operational and technical support.

B. Budget Activities:

Intelligence: The Transportation Security Intelligence Service (TSIS) produces intelligence products to support TSA's mission of securing the transportation system. TSIS enables risk-based security planning at tactical, operational, and strategic levels. Intelligence driven operations optimize the full suite of TSA operational capabilities.

HQ Administration: Headquarters Administration provides all aspects of the support infrastructure required to sustain TSA's operations around the nation. These activities include serving as the central point on policy development, training, performance management, facilities management, finance, human resources, protecting civil rights, legal advice and internal conduct and audit.

Information Technology: Information Technology provides the IT infrastructure and services to maintain connectivity, provide productivity tools, and support corporate applications.

C. Budget Request Summary:

The Transportation Security Administration requests 1,476 positions, 1,445 FTE, and $527,283,000 for the FY 2007 request. The total adjustments-to-base is $14,405,000. The program increases include 61 positions, 30 FTE, and $7,500,000 to increase acquisitions support and internal controls.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Transportation Security Administration
Transportation Security Support

Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE[1]	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Intelligence[2]	82	$13,804	99	$20,790	99	$21,000		$210	---	---	---	$210
Headquarters Administration	1,340	263,502	1,316	276,597	1,346	296,191	30	19,594	30	7,500	---	12,094
Information Technology	---	274,205	---	207,991	---	210,092	---	2,101	---	---	---	2,101
Research and Development[3]	72	178,938	---	---	---	---	---	---	---	---	---	---
Subtotal, Discretionary Appropriations and Budget Estimates	**1,494**	**$730,449**	**1,415**	**$505,378**	**1,445**	**$527,283**	**30**	**$21,905**	**30**	**$7,500**	**—**	**$14,405**
Less: Adjustments for Other Funding Sources:												
Net, Discretionary Appropriations and Budget Estimates[4]	**1,494**	**$730,449**	**1,415**	**$505,378**	**1,445**	**$527,283**	**30**	**$21,905**	**30**	**$7,500**	**—**	**$14,405**

[1] Specific FTE amounts have been updated to delineate the latest available data. As a result, numbers may differ somewhat from those depicted in MAX.

[2] In FY2005, Intelligence was a separate appropriation.

[3] In FY2005, Research and Development (R&D) was a separate appropriation. In FY06, the R&D function was transferred to Science and Technology, DHS.

[4] FY05 actual amount understated in MAX by $7M. Net, Discretionary Appropriations & Budget Estimates of $505.4 million in FY 2006 reflects revised enacted amount, while the FY 2007 estimate of $527.3 million reflects the requested budget authority. These amounts differ from MAX in that "obligation by program activity" is understated by $13M, as reimbursable amount in error in MAX.

25756A

III. Current Services Program Description by PPA

Department of Homeland Security
Transportation Security Support
Program Performance Justification
(Dollars in Thousands)

PPA: INTELLIGENCE

	Perm Pos	FTE	Amount
2005 Actual	**99**	**82**	**$13,804**
2006 Revised Enacted	**99**	**99**	**20,790**
2007 Adjustments-to-Base	...	...	210
2007 Current Services	**99**	**99**	**21,000**
2007 Program Change	...	...	...
2007 Request	**99**	**99**	**21,000**
Total Change 2006-2007	...	...	210

TSA requests $21.0 million for this activity. This request is a $210,000 increase over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION

The Transportation Security Intelligence Service (TSIS) is the intelligence organization for TSA. It provides an organic capability to review, synthesize, and analyze transportation specific intelligence. It is the only federal intelligence entity focused solely in the transportation sector. TSIS coordinates closely and shares information with DHS, the Intelligence Community, the intelligence sections of law enforcement agencies, and the transportation industry. To facilitate collaboration with the intelligence community and provide rapid analysis and notification of threats, this office located liaison officers at key intelligence community and law enforcement agencies.

TSIS is critical to an overall risk-based security strategy. The products generated by TSIS provide a threat framework to prioritize security resources. They are regularly used by the Federal Air Marshal Service, Federal Security Directors, and transportation industry. TSIS operates and maintains 24x7 intelligence capability for TSA at the Transportation Security Operations Center (TSOC) to disseminate warnings and notifications of credible and immediate threats. TSIS helps coordinate domestic and international civil aviation and other modal security intelligence activities with other government agencies and prepare country threat assessments in support of foreign airport assessment.

In order to perform its mission, TSIS provides and maintains its Top Secret and Secret Collateral classified information technology (IT) infrastructures for interfacing via voice, video, and data with the Intelligence Community (IC), State & Local law enforcement, field sites, and industry partners. One such system is the Remote Access Security Program (RASP) solution which provides secure access to classified and unclassified threat information in a timely manner to over 190 remote locations.

The FY07 request will sustain the current level of performance.

PPA: HEADQUARTERS ADMINISTRATION

	Perm Pos	FTE	Amount
2005 Actual	**1,369**	**1,340**	**$263,502**
2006 Revised Enacted	**1,316**	**1,316**	**276,597**
2007 Adjustments-to-Base	...	...	12,094
2007 Current Services	**1,316**	**1,316**	**288,691**
2007 Program Change	61	30	7,500
2007 Request	**1,377**	**1,346**	**296,191**
Total Change 2006-2007	61	30	19,594

TSA requests $296.2 million for this activity. This is an increase of $19.6 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION

Headquarters Administration supports numerous functions required to provide leadership, management, and logistics support to TSA operations. The Administrator, Internal Affairs, Chief Counsel, Finance and Administration, Legislative Affairs, Acquisition, Special Counselor, and Communications programs are wholly funded in this appropriation. Personnel funding for the Office of Human Capital and Operational Processes and Technology are also included. Approximately $180 million in personnel costs are included in this PPA. Five Mission Support Centers (MSCs) at field locations provide specific expertise to airports in their regions. The HQ activities align with four primary functions:

Leadership: Includes $5 million in operating expenses to develop the policy and management architecture to guide overall activities, ensure compliance with laws and regulations, develop and monitor performance metrics, and manage external relationships with Congress, the Administration, other oversight entities, and our private sector partners.

Internal Management and Controls: $35 million in operating expenses supports the day-to-day management of an approximately $6 billion budget and over 50,000 personnel. This includes financial management, acquisition services, asset management, and inspections. In FY05, Acquisitions expanded its oversight program to increase the use of audits and Internal Verification and Validation. Inspections (previously Internal Affairs) continued to provide covert testing of airport screening processes and aggressively pursued reductions in Workers Compensation fraud. TSA performed a pre-hiring background investigation on all TSA screeners and, once hired, a more extensive background investigation. This level of background investigations ensures reduced risks and enhances security. TSA is implementing systems to improve tracking and control of operational assets.

Workforce Support: $26 million in operating expenses supports all aspects of sustaining approximately 50,000 employees, ensuring an excellent working climate and a safe environment

while performing TSA's mission. TSA provides an active Civil Rights program, Ombudsman program, and safety and health program. These programs ensure fair and lawful treatment of employees and the public. Activities funded include EEO education, complaint investigation and adjudication, and alternate dispute resolution. The Office of the Ombudsman serves as a liaison and source of problem resolution services for the public and TSA employees. It also serves customers requesting assistance in informally resolving complex, unique, and often-confidential problems involving TSA matters and programs and provides advice and guidance to the TSA Administrator and senior executives on TSA policy and programs. It operates the Contact Center, which responds to traveler inquiries including complaints and compliments both from internal and external customers. The Occupational Safety and Health program works to bring facilities into compliance and to reduce injuries and illness. Additionally, the requested amount will support a safety information system that will provide information for use with mishap reduction, prioritization of program needs, and providing measures for evaluating agency performance. Workforce support also seeks to develop and enhance workforce knowledge, skills and abilities to effectively meet our mission requirements.

Facilities Management and Physical Security: $36 million in operating expenses provides facility and management for HQ, the Transportation Security Operations Center, and the Franconia Warehouse and support services within the facilities. Physical security develops, implements and maintains agency wide policies and procedures to ensure a safe work environment for TSA employees and visitors; serves as primary liaison with external law enforcement and security agencies; implements agency wide security awareness programs and policies (OPSEC); and administers the TSA Freedom of Information Act (FOIA) and Privacy Act program.

In addition to the above, Mission Support Centers (MSCs) are the central field service support mechanism for TSA across transportation modes. They provide TSA field personnel with immediate operational and technical support within designated areas. They are located in San Bruno, CA; Atlanta, GA; Troy, MI; Philadelphia, PA; and Irving, TX. $3 million in operating expenses directly support the MSCs.

PPA: INFORMATION TECHNOLOGY (IT) CORE SUPPORT

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$274,205**
2006 Revised Enacted	...	...	**207,991**
2007 Adjustments-to-Base	...	...	2,101
2007 Current Services	...	...	**210,092**
2007 Program Change	...	...	...
2007 Request	...	...	**210,092**
Total Change 2006-2007	...	...	2,101

TSA requests $210.1 million for this activity. This represents a $2.1 million increase over FY 2006 to maintain current services.

CURRENT SERVICES PROGRAM DESCRIPTION

The $158 million IT Core program maintains the Information Technology (IT) and telecommunications infrastructure support and services for all of the TSA and manages enterprise-wide IT managed service solutions that assist TSA in meeting mission responsibilities. Service levels are required in a number of categories of effort. The core of the IT capability is provided through a managed service contract. The managed services model offers the prospect of long-term cost efficiencies and the provision of state-of-the-art technologies for services and equipment. The Information Technology Managed Services (ITMS) program will continue to maintain the IT and telecommunications infrastructure support and services for all employees of the TSA, including:

- Head Seats: office automation hardware, software and services needed for the TSA workforce to perform their duties and responsibilities.
- Program Contractor Support: contractor support that is separate from the core ITMS program and provides desk-side Office Automation support.
- Miscellaneous Office Automation: additional areas required to support Office Automation Deployment and Refresh to include: Commercial Off The Shelf (COTS) Provisioning/Deployment, Government Furnished Equipment Processing, Installation Move Add Charges (IMAC), Deployment Travel, Deployment Refresh, Replacement of Lost/Stolen Equipment, Provisioning of 508 Compliant IT Equipment, and Other Direct Charge funding to purchase small dollar IT items that are not conducive to a managed service (zip drives, cables, surge protectors, CD/RW, etc.).

Time and Attendance (Kronos): This $1.3 million project will streamline and automate the process currently utilized to support collection and data input of timecards and collection of performance metrics for the airport support staff. Current processes and available automation are legacy based, which make the continuance of the same functionally ineffective and cost prohibitive. This effort endeavors to eliminate paperwork, provide cost accounting, and provide management with the tools and resources needed to effectively evaluate cost alternatives with respect to FTE management and technological developments. In FY 2007, TSA will continue operations and maintenance of system and leverage connectivity to expand automated process.

Performance Management Information System(PMIS): PMIS is a $5 million activity that converts data from front-line systems, from security processes, and machines, as well as from back-office systems, such as personnel and finance systems, to real-time information on the current status of the security systems to support personnel on the front lines of operations (e.g., Federal Security Directors), as well as TSA Executives.

In 2007, TSA will develop additional/redefine existing performance measures and dashboards to respond to Executives' and Federal Security Directors' needs.

e-Government Operating Platform (e-Gov OP): e-Gov OP is a $3.3 million "toolbox" that provides a common set of tools for TSA's varied needs. Three types of tools comprise the e-Gov OP – a common data model, shared services, and enterprise-wide e-Government applications. The common data model enables TSA to store strategic data in one location, enabling agency-wide

access to consistent information. The shared services provide common capabilities that are the foundation for all of TSA's e-Government initiatives. The enterprise-wide e-Government applications are the specific systems designed to meet TSA's business needs. While each of these applications is designed to meet enterprise-wide business needs, they can also be configured for use by specific functional groups. This enterprise-wide approach is the true benefit of TSA's e-Government Operating Platform.

Personnel/Financial Management Systems: This activity funds $42.4 million of interagency agreements with Coast Guard and the U.S. Department of Agriculture for the use of their financial management, personnel, and payroll systems. This also funds reimbursements to the Department of Homeland Security for the costs of the Working Capital Fund, related to operational support functions.

IV. Program Justification of Changes

Department of Homeland Security
Transportation Security Support
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Procurement Staff and Internal Audit/Control Increase

Strategic Goal(s) & Objective(s): Strategic Goal 2 (Prevention) and Strategic Objective 2.5 (Strengthen the security of the Nation's transportation systems), Strategic Goal 7 (Organizational Excellence) and Strategic Objective 7.3 (Continually improve our way of doing business).

PPA: HQ Administration

Program Increase: Positions 61 FTE 30 Dollars $7,500

Funding Profile:

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							112	112	21,147
Program Increase							61	30	7,500
Total Request	**93**	**73**	**13,830**	**112**	**112**	**20,865**	**173**	**142**	**28,647**

Description of Item
This funding provides $6.5 for million personnel costs and $1 million in operating expenses to increase the ability to manage TSA's procurement processes. It will allow TSA to improve its internal controls and to develop a process to audit those internal controls.

Justification
DHS has identified Department-wide performance gaps in its procurement process. TSA's Office of Acquisition maintains the highest obligation rate in the Department, with one of the lowest staffing levels. There have been several benchmark studies showing the Office of Acquisition has significant staffing shortages. The generally accepted benchmark for staffing for the procurement function is "cost to spend". This metric divides the total dollars obligated by the direct manpower costs associated with the contracting function. In FY05, TSA's Office of Acquisition operated at a .348% cost to spend. The Center for Advanced Purchasing Studies (http://www.capsresearch.org/) is recognized as the industry expert organization regarding benchmarking for the acquisition function. Their applicable standard for the acquisition function is 2.1%.

The Department of Homeland Security (DHS) has established a standard for the contracting function of 1.2%-1.9%. The DHS Chief Procurement Officer established a staffing goal of 1.2% in FY06. During the re-organization of TSA HQ staff, internal resources were reprogrammed to

increase the ratio to 0.6% in FY06. TSA expects this requested increase to establish approximately a 0.7% ratio in FY07.

This increase also provides operating expenses to improve compliance with Public Law 108-330, *The Department of Homeland Security Financial Accountability Act.* The Act requires that the annual Performance and Accountability Report (PAR) include an assertion by the Secretary on the adequacy of internal controls that apply to financial reporting. In addition, the Act requires the Secretary to include an audit opinion over the Department's internal controls over financial reporting.

These requirements for internal control reporting and audit impose significant management challenges and resource demands on the Department and its components. To comply with the Act the Department's components must obtain contractor support to:

- provide training,
- develop internal control process analysis documentation,
- perform internal control test of design and test of operating effectiveness,
- develop significant remediation strategies for material weaknesses in internal control, and
- provide project management support for the Department's Internal Control Committee.

In compliance with DHS policy and OMB Circular A-11, TSA developed a plan for implementing EVM on contracts related to programs in Development, Modernization, or Enhancement (DME) phases. For programs that are in steady state, Operational Analysis will be used in accordance with DHS policy. EVM requirements will be assessed for each new contract award and implemented where necessary to ensure a cost effective ROI. TSA is currently developing policy and guidance and will provide EVM training to affected program offices to begin full implementation in FY06.

Impact on Performance (Relationship of Increase to Strategic Goals)
This budget increase supports a workforce level more capable of planning, negotiating, awarding, and managing business relationships. Aside from salary dollars, the majority of TSA's budget is spent through acquisition. TSA's relationships with industry are key to the overall effectiveness of the mission, especially regarding deployment of new technologies and services to strengthen transportation security. The requested funding will substantially improve TSA's internal control/audit function.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Transportation Security Administration

Justification of Proposed Changes in Transportation Security Support Appropriation

Appropriation Language

For necessary expenses of the Transportation Security Support Administration related to providing transportation security support and intelligence pursuant to the Aviation and Transportation Security Act (Public Law 107-71; 115 Stat. 597; 49 U.S. C. 40101 note), [$510,483,000] ***$527,283,000*** to remain available until September 30, [2007] ***2008***. [Provided, That of the funds appropriated under this heading, $5,000,000 may not be obligated until the Secretary submits to the Committees on Appropriations of the Senate and the House of Representatives: (1) a plan for optimally deploying explosive detection equipment, either in-line or to replace explosive trace detection machines, at the Nation's airports on a priority basis to enhance security, reduce Transportation Security Administration staffing requirements, and reduce long-term costs; and (2) a detailed expenditure plan for explosive detection systems procurement and installations on an airport-by-airport basis for fiscal year 2006: Provided further, That these plans shall be submitted no later than 60 days from the date of enactment of this Act] (Department of Homeland Security, Appropriations Act, 2006.)

Explanation of Changes:
TSA has complied with the provisions included in previous language.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**1,542**	**1,494**	**$730,449**
2006 Revised Enacted	**1,415**	**1,415**	**505,378**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	---	---	3,416
2007 pay increase	---	---	4,138
Base Adjustment	---	---	5,851
Non-pay inflation excluding GSA Rent	---	---	1,000
Total Increases	---	---	14,405
Total Adjustments-to-Base	---	---	**14,405**
2007 Current Services	**1,415**	**1,415**	**519,783**
Program Changes			
Program Increases/(Decreases)			
Procurement Staff and Internal Audit/Control Increase	61	30	7,500
Total Program Changes	**61**	**30**	**7,500**
2007 Request	**1,476**	**1,445**	**527,283**
2006 to 2007 Total Change	**61**	**30**	**21,905**

C. Summary of Requirements

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	1,542	1,494	$730,649
2006 Revised Enacted	1,415	1,415	505,378
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	14,405
Total Adjustments-to-Base	---	---	14,405
2007 Current Services	1,415	1,415	519,783
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	61	30	7,500
2007 Total Request	1,476	1,445	527,283
2006 to 2007 Total Change	61	30	21,905

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Intelligence	99	99	$20,790	---	---	$210	---	---	$ ---	99	99	$21,000	---	---	$210
2 Headquarters Administration	1,316	1,316	276,597	---	---	12,094	61	30	7,500	1,377	1,346	296,191	61	30	19,594
3 Information Technology	---	---	207,991	---	---	2,101	---	---	---	---	---	210,092	---	---	2,101
Total	**1,415**	**1,415**	**$505,378**	---	---	**$14,405**	**61**	**30**	**$7,500**	**1,476**	**1,445**	**$527,283**	**61**	**30**	21,905

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D. Summary of Reimbursable Resources

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
Summary of Reimbursable Resources[1]
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Navy	---	---	$600	---	---	$0	---	---	$0	---	---	---
FAA	---	---	167	---	---	---	---	---	---	---	---	---
State Dept	---	---	12	---	---	12	---	---	12	---	---	---
Army	---	---	250	---	---	---	---	---	---	---	---	---
DHS- S&T	---	---	1,029	---	---	---	---	---	---	---	---	---
DHS-ICE	---	---	3,215	---	---	---	---	---	---	---	---	---
DHS-Headquarters	---	---	5,907	---	---	---	---	---	---	---	---	---
Total Budgetary Resources	---	---	**11,180**	---	---	**12**	---	---	**12**	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Headquarters Administration	---	---	$3,815	---	---	$12	---	---	$12	---	---	---
Information Technology	---	---	7,186	---	---	---	---	---	---	---	---	---
Corporate Training	---	---	179	---	---	---	---	---	---	---	---	---
Total Obligations	---	---	**11,180**	---	---	**12**	---	---	**12**	---	---	---

[1] Reimbursable amounts have been updated to delineate the latest available data. As a result, numbers in MAX are overstated by $7 million in FY 2005 and $13 million in FY 2006 and 2007.

E. Summary of Requirements by Object Class

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual [1]	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$130,590	$130,485	$140,842	$10,357
12.1 Benefits	54,662	55,922	60,273	4,351
Total, Personnel Comp. & Benefits	**$185,252**	**$186,407**	**$201,115**	**$14,708**
Other Object Classes:				
21.0 Travel	6,742	6,284	6,528	244
23.1 GSA rent	17,833	19,302	20,074	772
23.2 Other rent	12,983	14,052	14,614	562
23.3 Communications, utilities, & other misc. charges	33,469	27,427	27,887	460
24.0 Printing and reproduction	276	281	290	9
25.1 Advisory and assistance services	156,013	21,024	21,375	351
25.2 Other services	25,460	20,354	22,169	1,815
25.3 Purchases of goods & svcs. from Gov't accounts	59,245	50,480	51,530	1,050
25.4 Operation & maintenance of facilities	2,103	2,276	2,367	91
25.5 Research and development contracts	3,711	0	0	---
25.7 Operation and maintenance of equipment	190,794	146,440	147,925	1,485
25.8 Subsistence and support of persons	1	1	1	---
26.0 Supplies and materials	2,245	2,446	2,536	90
31.0 Equipment	9,065	8,604	8,872	268
32.0 Land & structures	377	0	0	---
41.0 Grants/Subsidies/Contributions	24,880	0	0	---
Total, Other Object Classes	**$545,197**	**$318,971**	**$326,168**	**$7,197**
Total, Direct Obligations[2]	**$730,449**	**$505,378**	**$527,283**	**$21,905**
Unobligated balance, start of year	(60,512)	(37,072)	(62,072)	
Unobligated balance, end of year	37,072	62,072	87,072	
Recoveries of prior year obligations	(13,513)			
Unobligated Balance, transfer	9,000			
Unobligated Balance, expiring	29,000			
Total requirements	**$731,496**	**$530,378**	**$552,283**	

[1] Based on updated SF-133 data, the total direct obligations for FY2005 is $730,449, net $724,332 as reported in MAX.

[2] FY05 actual amount understated in MAX by $7M. Net, Discretionary Appropriations & Budget Estimates of $505.4 million in FY 2006 reflects revised enacted amount, while the FY 2007 estimate of $527.3 million reflects the requested budget authority. These amounts differ from MAX in that "obligation by program activity" is understated by $13M, as reimbursable amount in error in MAX.

F. Permanent Positions by Grade

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	33	34	35	1
Total, EX	1	1	1	---
L Band	50	55	56	1
K Band	307	296	301	5
J Band	613	554	575	21
I Band	273	212	225	13
H Band	106	99	107	8
G Band	81	83	89	6
F Band	54	55	61	6
E Band	22	24	24	---
D Band	2	2	2	---
Total Permanent Positions	**1,542**	**1,415**	**1,476**	**61**
Unfilled Positions EOY	137	130	31	(99)
Total Perm. Employment EOY	1,405	1,285	1,445	160
FTE	**1,494**	**1,415**	**1,445**	**30**
Headquarters	1,324	1,165	1,216	51
U.S. Field	218	250	260	10
Foreign Field	---	---	---	---
Total Permanent Positions	**1,542**	**1,415**	**1,476**	**61**
Average ES Salary	$ 151,686	$ 156,389	$ 161,237	$ 4,848
Average Salary, Banded Positions	$ 95,978	$ 98,954	$ 102,021	$ 3,067
Average Band	I-J	I-J	I-J	---

G. Capital Investment and Construction Initiative Listing:

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
Intelligence
Funding Schedule
(Dollars in Thousands)

PPA: Intelligence		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes: [1]					
11.1	Perm Positions	6,596	8,019	8,227	$208
12.1	Benefits	2,827	3,437	3,439	2
13.0	Benefits-former	---	---	---	---
21.0	Travel	82	175	175	---
25.1	Advisory & Assistance Services	4,066	8,663	8,663	---
25.2	Other Services	1	1	1	---
25.3	Purchase from Govt. Accts.	174	371	371	---
26.0	Supplies & materials	58	124	124	---
	Total, Intelligence	**$13,804**	**$20,790**	**$21,000**	**$210**
Full Time Equivalents		82	99	99	---

[1] Specific object class amounts have been updated to delineate the latest available spending data. As a result, numbers my differ somewhat from those depicted in MAX.

PPA Mission Statement

Provide Intelligence Analysis, Coordination, and Dissemination -- TSA will continue to provide current and strategic warning regarding threats to U.S. transportation modes and identify trends and changes in targeting. TSA intelligence unit analyzes intelligence and disseminates information through liaison with intelligence community agencies.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$9,423**	**$11,456**	**$11,666**	**$210**

Salaries and Benefits includes costs for 99 FTE in FY 2007, which represents the same level as FY 2006. The FY 2007 request includes an increase of $210,000 for annualization of prior year funds and for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$82**	**$175**	**$175**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$4,066**	**$8,663**	**$8,663**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1**	**$1**	**$1**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$174**	**$371**	**$371**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$58**	**$124**	**$124**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request has no change.

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
Headquarters Administration
Funding Schedule
(Dollars in Thousands)

PPA: Headquarters Administration		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	116,611	122,466	132,615	$10,149
12.1	Benefits	49,976	52,485	56,834	4,349
13.0	Benefits-former	---	---	---	---
21.0	Travel	5,636	6,100	6,344	244
23.1	GSA rent	17,833	19,302	20,074	772
23.2	Other rent	12,983	14,052	14,614	562
23.3	Communication, Utililities, and misc charges	5,626	6,089	6,333	244
24.0	Printing	219	237	246	9
25.1	Advisory & Assistance Services	6,986	7,561	7,864	303
25.2	Other Services	20,911	19,384	21,189	1,805
25.3	Purchase from Govt. Accts.	16,794	18,177	18,904	727
25.4	Operation & maintenance of facilities	2,103	2,276	2,367	91
25.7	Operation & maintenance of equipment	159	172	179	7
25.8	Subsistence & Support of persons	1	1	1	---
26.0	Supplies & materials	2,045	2,213	2,302	89
31.0	Equipment	5,619	6,082	6,325	243
	Total, Headquarter Administration	**$263,502**	**$276,597**	**$296,191**	**$19,594**
Full Time Equivalents		1,340	1,316	1,346	30

[1] Specific object class amounts have been updated to delineate the latest available spending data. As a result, numbers my differ somewhat from those depicted in MAX.

PPA Mission Statement

Maintain Support Services - TSA support services include such critical functions as HR, Training, Internal Affairs, Chief Counsel, Civil Rights, Legislative Affirs, Administration, etc. These services are essential for the effective and efficient operation of the Agency.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$166,587**	**$174,951**	**$189,449**	**$14,498**

Salaries and Benefits includes an increase of $7,500,000 to account for $6,998,000 to anualize prior year funds and for the proposed FY 2007 payraise, and an additional 30 FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$5,636**	**$6,100**	**$6,344**	**$244**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a base increase of $244,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$17,833**	**$19,302**	**$20,074**	**$772**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a base increase of $772,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$12,983**	**$14,052**	**$14,614**	**$562**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes a base increase of $562,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$5,626**	**$6,089**	**$6,333**	**$244**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a base increase of $244,000 to bring back Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$219**	**$237**	**$246**	**$9**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a base increase of $9,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$6,986**	**$7,561**	**$7,864**	**$303**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a base increase of $303,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$20,911**	**$19,384**	**$21,189**	**$1,805**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a base increase of $1,805,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$16,794**	**$18,177**	**$18,904**	**$727**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a base increase of $727,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$2,103**	**$2,276**	**$2,367**	**$91**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a base increase of $91,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$159**	**$172**	**$179**	**$7**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a base increase of $7,000 to bring Headquarters Administration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$1**	**$1**	**$1**	**$0**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$2,045**	**$2,213**	**$2,302**	**$89**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes a base increase of $89,000 to bring Headquarters Adminstration back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$5,619**	**$6,082**	**$6,325**	**$243**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a base increase of $243,000 to bring Headquarters Administration back to the FY 2006 enacted level.

Department of Homeland Security
Transportation Security Administration
Transportation Security Support
Information Technology
Funding Schedule
(Dollars in Thousands)

PPA: Information Technology		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
21.0	Travel	12	9	9	---
23.3	Communication, Utilities, and misc charges	27,811	21,338	21,554	216
24.0	Printing	57	44	44	---
25.1	Advisory & Assistance Services	6,256	4,800	4,848	48
25.2	Other Services	4,387	969	979	10
25.3	Purchase from Govt. Accts.	41,618	31,932	32,255	323
25.7	Operation & maintenance of equipment	190,635	146,268	147,746	1,478
26.0	Supplies & materials	142	109	110	1
31.0	Equipment	3,287	2,522	2,547	25
	Total, Information Technology	**$274,205**	**$207,991**	**$210,092**	**$2,101**
Full Time Equivalents		---	---	---	---

[1] Specific object class amounts have been updated to delineate the latest available spending data. As a result, numbers my differ somewhat from those depicted in MAX.

PPA Mission Statement

Continue to Build and Maintain the IT and Telecommunications Instrastructure Support and Services for All of TSA - TSA will continue to enhance the effectiveness of its entire workforce through its IT core support.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$12**	**$9**	**$9**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and misc. charges	**$27,811**	**$21,338**	**$21,554**	**$216**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a base increase of $216,000 to bring Information Technology back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$57**	**$44**	**$44**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$6,256**	**$4,800**	**$4,848**	**$48**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a base increase of $48,000 to bring Information Technology back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$4,387**	**$969**	**$979**	**$10**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a base increase of $10,000 to bring Information Technology back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$41,618**	**$31,932**	**$32,255**	**$323**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a base increase of $323,000 to bring Information Technology back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**0**	**$146,268**	**$147,746**	**$1,478**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a base increase of $1,478,000 to bring Information Technology back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$142**	**$109**	**$110**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes a base increase of $1,000 to bring Information Technology back to the FY 2006 enacted level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$3,287**	**$2,522**	**$2,547**	**$25**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a base increase of $25,000 to bring Information Technology back to the FY 2006 enacted level.

I. Schedule of Working Capital Fund

Department of Homeland Security
Transportation Security Administration
Transportation Security Support

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Headquarters Administration	$2,935	$822	$848	$26
Information Technology	17,987	23,226	26,037	2,811
Total Working Capital Fund	**$20,922**	**$24,048**	**$26,885**	**$2,837**

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Department of Homeland Security

Transportation Security Administration

Federal Air Marshal Service

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Transportation Security Administration
Federal Air Marshal Service Appropriation

I. Appropriation Overview

A. Mission:
The FAMS mission is to promote confidence in our Nation's civil aviation system through the effective deployment of Federal Air Marshals, to detect, deter, and defeat hostile acts targeting U.S. air carriers, airports, passengers, and crews. To do so, the Service works in close coordination with its partners in federal, state, local and international law enforcement, utilizing a strategic, intelligence-driven approach for conducting domestic and international mission operations, maintaining domain awareness, and safeguarding the American public from the threat of terrorist or criminal activities.

B. Budget Activities:

Management and Administration (M&A)
The FAMS' mission demands a host of critical planning, operational and support programs to protect the public from the threat of a terrorist attack or other criminal activity. The FAMS' M&A programs encompass vital enforcement, information management, and infrastructure components to include Joint Terrorism Task Force (JTTF) participation and investigations, a sophisticated flight/mission scheduling and notification system, workforce services, command and control, information management and other critical infrastructure requirements.

Travel and Training (T&T):
In order to maintain optimum readiness and perform its primary operational functions, the FAMS requires extensive training and mission travel capabilities. Federal Air Marshals must undergo continuous training to maintain and expand their expertise in the full range of skills necessary to operate within the aviation domain, to include specialized tactics, enforcement, surveillance detection, and other skill sets. Furthermore, the FAMS' mission travel activities are an integral component of the FAMS' mission in safeguarding air carriers, airports and the aviation domain.

C. Budget Request Summary:
The Transportation Security Administration requests $699,294,000 in FY 2007. The total adjustments-to-base is $19,956,000. The program will be maintained at current services.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Transportation Security Administration
Federal Air Marshal Service

Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Management and Administration	---	$604,096	---	$607,266	---	$628,494		$21,228	---	---	---	$21,228
Travel and Training	---	65,832	---	70,092	---	70,800	---	708	---	---	---	708
Air to Ground Communication System	---	---	---	1,980	---	---	---	(1,980)	---	---	---	(1,980)
Subtotal, Discretionary Appropriations and Budget Estimates	---	**$669,928**	---	**$679,338**	---	**$699,294**	---	**$19,956**	---	**$0**	---	**$19,956**
Less: Adjustments for Other Funding Sources:												
Net, Discretionary Appropriations and Budget Estimates	---	**$669,928**	---	**$679,338**	---	**$699,294**	---	**$19,956**	---	**$0**	---	**$19,956**

III. Current Services Program Description by PPA

Department of Homeland Security
Transportation Security Administration
Federal Air Marshal Service
Program Performance Justification
(Dollars in thousands)

PPA: MANAGEMENT AND ADMINISTRATION

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$604,096**
2006 Revised Enacted	...	...	**$607,266**
2007 Adjustments-to-Base	...	...	21,228
2007 Current Services	...	...	**628,494**
2007 Program Change	...	...	...
2007 Request	...	...	**628,494**
Total Change 2006-2007			21,228

The Transportation Security Administration requests $628.5 million for this activity. This is an increase of $21.2 million over FY 2006 to maintain current services.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Management & Administration (M&A) program funds the FAMS' payroll costs and supports operational and infrastructure requirements with the exception of training and travel costs.

Of the total funds allocated, over 80 percent of M&A will be dedicated to meeting workforce sustainment/compensation requirements. FAMS' personnel are arrayed throughout the country and provide the manpower necessary to perform the Service's full range of operations. The remaining balance of the M&A supports the continuing development and maintenance of the FAMS infrastructure, internal processes and strategic systems that enable Federal Air Marshals to seamlessly perform the integrated set of functions that make up their mission. Examples of costs include the following:

- Mission Scheduling and Notification System (MSNS), an automated interface between the FAMS and U.S. air carriers that facilitates the planning, scheduling, and deployment of all Federal Air Marshals on commercial flights. The system is based on the widely used Sabre Aircrews and Reservations Systems that incorporates a risk-based process that selects missions from over 25,000 U.S. commercial airline flights each day to deploy the thousands of Federal Air Marshals worldwide.

- Explosives Unit (EU), an expert, rapidly deployable, national level resource to conduct all aspects of explosives security. EU activities include countermeasures development, intelligence analysis, testing/evaluation of explosives effects and detection systems, explosives incident management, technical support to other DHS security personnel, post-blast and other investigations where a bombing is suspected, least-risk bomb location assistance to pilots and Federal Air Marshals with suspected

explosive devices in flight, explosives security surveys, and technical security assistance and training involving explosives and weapons.

- Human Resources Services/Recruitment Initiatives include recruitment/hiring and retention services (background investigations, security clearances, medical exams/physicals, drug tests).

- Information Technology requirements (equipment, software, licenses).

- Facility Leases for the Systems Operations Control Division (SOCD), which both maintains Domain Awareness for the FAMS, and incorporates that awareness into a mission logistics process that provides for the effective deployment of Federal Air Marshals; FAMS Headquarters facilities in Reston, VA, and Atlantic City, NJ; and twenty-one domestic field offices.

- Program Support Services and requirements such as interagency agreements, vehicle leasing, shipment of goods, utilities/communications, janitorial services, supplies, duty equipment, printing, physical security, and maintenance.

In FY 2007, the FAMS intends to continue coverage of the highest priority security risks through an array of enforcement, surveillance detection and associated activities within the aviation domain. The FAMS will also seek to further develop coordination mechanisms through technical solutions and ongoing partnerships with the public, private and international sectors.

PPA: TRAVEL AND TRAINING

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$65,832**
2006 Revised Enacted	...	...	**70,092**
2007 Adjustments-to-Base	...	...	708
2007 Current Services	...	...	**70,800**
2007 Program Change	...	...	...
2007 Request	...	...	**70,800**
Total Change 2006-2007			708

The Transportation Security Administration requests $70.8 million for this activity. This is an increase of $0.7 million over FY 2006 to maintain current services.

CURRENT SERVICES PROGRAM DESCRIPTION:

The T&T program supports the FAMS' requirements for travel and travel-associated costs and training.

Travel: The T&T program supports the FAMS' requirements for:

- Mission Travel critical to the Federal Air Marshals' ability to perform international and domestic flight coverage. These resources fund per diem and lodging expenses and associated costs such as airport parking and automated travel account services. The funds provide Federal Air Marshals with the necessary mobility and flexibility to perform their jobs.

- Other FAMS travel required for non-mission and training purposes.

Training: The balance of T&T funds support the FAMS training programs as follows:

- Federal Air Marshal Training: The FAMS' training regimen equips its workforce with the law enforcement expertise and skills to handle emerging threats to aviation both professionally and expeditiously. Upon entry to the program, Federal Air Marshals undergo an intensive 15-week training program conducted by the Federal Law Enforcement Training Center (FLETC) in Artesia, New Mexico and the FAMS Training Center located in Atlantic City, New Jersey. The T&T program provides for all associated training requirements such as FLETC costs, instructor contracts, hotel lodging contracts for Atlantic City classes, training supplies, firing range fees, professional and training gear, equipment and clothing. Once assigned to a field office, Federal Air Marshals undergo recurrent training to maintain their skills to meet law enforcement requirements and firearms certification levels.

- Professional/Technical Training: The T&T program also provides required professional training for FAMS technical professionals and support staff. Examples of Professional /Technical training include mandated annual explosives technical training for re-qualification and re-certification, mandated annual contracts/warrant officer training, mandated FAMS Instructor training, leadership/management training, and professional/career development courses.

PPA: AIR TO GROUND COMMUNICATIONS SYSTEM (AGCS)

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Enacted	...	...	**$1,980**
2007 Adjustments-to-Base	...	...	($1,980)
2007 Current Services	...	...	...
2007 Program Change	...	...	...
2007 Request	...	...	...
Total Change 2006-2007	...	...	($1,980)

The Transportation Security Administration requests no FY 2007 funding for this activity that had non recurring costs in FY 2006. This represents a decrease of $1.98 million from FY 2006.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Transportation Security Administration
Justification of Proposed Changes in Appropriation Name
Appropriation Language

For necessary expenses of the Federal Air Marshals, [$686,200,000] ***$699,294,000***. (Department of Homeland Security Appropriations Act, 2006.)

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Transportation Security Administration
Federal Air Marshal Service
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	—	—	**$669,928**
2006 Revised Enacted	—	—	**679,338**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	—	—	11,175
2007 pay increase	—	—	8,918
Non-pay inflation excluding GSA Rent	—	—	1,843
Total Increases	—	—	21,936
Decreases			
Termination of one-time costs	—	—	(1,980)
Total Decreases	—	—	(1,980)
Total Adjustments-to-Base	—	—	**19,956**
2007 Current Services	—	—	**699,294**
Program Changes			
Program Increases/(Decreases)			
Total Program Changes	—	—	—
2007 Request	—	—	**699,294**
2006 to 2007 Total Change	—	—	**19,956**

C. Summary of Requirements

Department of Homeland Security
Transportation Security Administration
Federal Air Marshal Service
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	**$669,938**
2006 Revised Enacted	---	---	**679,338**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	21,936
Decreases	---	---	(1,980)
Total Adjustments-to-Base	---	---	19,956
2007 Current Services	---	---	**699,294**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	---	---	**699,294**
2006 to 2007 Total Change	---	---	19,956

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Management and Administration	---	---	$607,266	---	---	$21,228	---	---	$ ---	---	---	$628,494	---	---	$21,228
2 Travel and Training	---	---	70,092	---	---	708	---	---	---	---	---	70,800	---	---	708
3 Air to Ground Communication System	---	---	1,980	---	---	(1,980)	---	---	---	---	---	---	---	---	(1,980)
Total	---	---	**$679,338**	---	---	**$19,956**	---	---	**$0**	---	---	**$699,294**	---	---	**$19,956**

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D. Summary of Reimbursable Resources

Not Applicable.

E. Summary of Requirements by Object Class

Department of Homeland Security
Transportation Security Administration
Federal Air Marshal Service
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes[1]	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$286,851	$293,818	$304,374	$10,556
11.3 Other than full-time permanent	11,125	12,026	12,458	432
11.5 Other Personnel Compensation	83,714	83,351	86,345	2,994
11.8 Special Service Pay	30	908	941	33
12.1 Benefits	148,209	150,403	155,806	5,403
Total, Personnel Comp. & Benefits	**$529,929**	**$540,506**	**$559,924**	**$19,418**
Other Object Classes:				
21.0 Travel	53,864	53,989	54,535	546
22.0 Transportation of things	1,881	1,969	2,022	53
23.1 GSA rent	2,182	---	---	---
23.2 Other rent	12,303	11,604	11,910	306
23.3 Communications, utilities, & other misc. charges	8,642	12,876	11,191	(1,685)
24.0 Printing and reproduction	1	10	10	0
25.1 Advisory and assistance services	15,489	17,183	17,640	457
25.2 Other services	14,206	21,936	22,378	442
25.3 Purchases of goods & svcs. from Gov't accounts	1,804	2,448	2,513	65
25.4 Operation & maintenance of facilities	650	850	873	23
25.6 Medical care	1,407	3,478	3,559	81
25.7 Operation and maintenance of equipment	119	26	27	1
25.8 Subsistence and support of persons	4	---	---	---
26.0 Supplies and materials	4,924	6,737	6,840	103
31.0 Equipment	22,453	5,725	5,870	145
42.0 Indemnity	70	1	1	0
Total, Other Object Classes	**$139,999**	**$138,832**	**$139,370**	**$538**
Total, Direct Obligations	**$669,928**	**$679,338**	**$699,294**	**$19,956**
Unobligated balance, start of year	(12,430)	10,444	10,444	
Unobligated balance, end of year	10,444	(10,444)	(10,444)	
Recoveries of prior year obligations	(5,225)	---	---	
Unobligated balance, expiring	5,000			
Total requirements	**$667,717**	**$679,338**	**$699,294**	**$19,956**

[1] Specific object class amouts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

F. Permanent Positions by Grade

Classified.

G. Capital Investment and Construction Initiative Listing

Not Applicable.

H. PPA Budget Justifications

Department of Homeland Security
Transportation Security Administration
Federal Air Marshal Service
Management and Administration
Funding Schedule
(Dollars in Thousands)

PPA: Management and Administration		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:[1]					
11.1	Perm Positions	$286,851	$293,818	$304,374	$10,556
11.3	Other than perm	11,125	12,026	12,458	432
11.5	Other per comp	83,714	83,351	86,345	2,994
11.8	Spec Srvc Pay	30	908	941	33
12.1	Benefits	148,209	150,403	155,806	5,403
21.0	Travel	2	---	---	---
22.0	Transportation of things	1,873	1,959	2,012	53
23.1	GSA rent	2,182	---	---	---
23.2	Other rent	11,789	11,106	11,407	301
23.3	Communication, Utililities, and misc charges	8,559	10,896	11,191	295
24.0	Printing	1	10	10	0
25.1	Advisory & Assistance Services	13,577	16,685	17,137	452
25.2	Other Services	13,137	12,994	13,346	352
25.3	Purchase from Govt. Accts.	1,708	2,365	2,429	64
25.4	Operation & maintenance of facilities	642	850	873	23
25.6	Medical care	696	2,741	2,815	74
25.7	Operation & maintenance of equipment	119	26	27	1
25.8	Subsistence & Support of persons	4	---	---	---
26.0	Supplies & materials	1,387	2,055	2,111	56
31.0	Equipment	18,421	5,072	5,210	138
42.0	Indemnity	70	1	1	0
Total, Management and Administration		**$604,096**	**$607,266**	**$628,494**	**$21,228**
Full Time Equivalents		---	---	---	---

[1] Specific object class amouts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

Mission Statement

The Management and Administration (M&A) PPA funds the FAMS's staffing/payroll requirements to include salary/compensation, benefits, awards, overtime, etc. In addition, M&A funds critical administrative and operational requirements to include the FAMS' mission scheduling system and information technology requirements, rent, wireless communications systems and explosives unit operations; recruitment/hiring and retention services (background investigations, security clearances, medical exams/physicals, drug tests); and a host of program support services and requirements (interagency agreements, vehicle leasing, shipment of goods, utilities/communications, janitorial services, supplies, duty equipment, printing, physical security, etc.)

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$529,929**	**$540,506**	**$559,924**	**$19,418**

The FY 2007 request includes an increases of $19,418,000 for the annualization of prior year funds and for the proposed FY 2007 pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$2	$0	$0	$0

The Management and Administration (M&A) PPA does not contain any travel funds. All FAMS travel-related resources are contained within the Training and Travel (T&T) PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$1,873	$1,959	$2,012	$53

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FAMS uses this object class series for central billing for shipment of goods between Headquarters and Field Offices and GSA vehicle leasing. The FY 2007 request includes an increase of $53,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$2,182	$0	$0	$0

When FAMS initial leased space was acquired, the Service utilized the Acquisition Management System, (AMS). As such, GSA rent costs are limited (see Other Rent below).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$11,789	$11,106	$11,407	$301

Other rent includes all payments to a non-Federal source for rental space, land, and structures. All of the FAMS' commercial office leases for Headquarters and field offices are included in this category. The FY 2007 request includes an increase of $301,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$8,559	$10,896	$11,191	$295

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FAMS uses this object class series for PDA and cell phone air time and general office utilities such as metered gas, electric, water usage, etc. The FY 2007 request includes an increase of $295,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$1	$10	$10	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The majority of costs are for promotional/public relations materials.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$13,577	$16,685	$17,137	$452

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Services included in this section include IT Support for the entire FAMS; Mission Scheduling support; and interagency agreements with FAA, TSA and Coast Guard for program and financial services. The FY 2007 request includes an increase of $452,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$13,137	$12,994	$13,346	$352

Other services include contractual services with non-Federal and Federal sources that are not otherwise classified under Object Class 25. The FAMS uses this series for additional support for the Mission Scheduling system, support services for other elements (including the personnel system and contractors supporting the contracting/procurement efforts) within the Service and meeting OSHA requirements. The FY 2007 request includes an increase of $352,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$1,708	$2,365	$2,429	$64

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. For the FAMS, this includes facility maintenance support from the FAA, office equipment maintenance (new object class of 2538) and security clearances. The FY 2007 request includes an increase of $64,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	$642	$850	$873	$23

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FAMS uses this series for custodial services and facility buildouts/enhancements of current leases. There is a $23K increase to fund expected cost inflation. The FY 2007 request includes an increase of $23,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	$696	$2,741	$2,815	$74

Medical care includes payments to contracts for medical services, but excludes federal employees who are reportable under OPM regulations as federal employees. The FAMS uses this series for a contract with Federal Occupational Health (FOH). The FY 2007 request includes an increase of $74,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$119**	**$26**	**$27**	**$1**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. During the transition to the new FAMS' accounting system, one of the major object classes for O&M was moved to 2538. The remaining funds here are used primarily for O&M of vehicles, security equipment and IT equipment. The FY 2007 request includes an increase of $1,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$4**	**$0**	**$0**	**$0**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. This would be used by the FAMS only for full PCS moves. Currently, the FAMS plans on doing only flat-rate moves.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,387**	**$2,055**	**$2,111**	**$56**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FAMS uses this series for IT supplies and materials, office supplies, fuel and duty ammunition. The FY 2007 request includes an increase of $56,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$18,421**	**$5,072**	**$5,210**	**$138**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. Included in this total are costs for IT equipment and software, furniture and other office equipment. The FY 2007 request includes an increase of $138,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$70**	**$1**	**$1**	**$0**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FAMS anticipates minimal claims against the Service. If a claim is incurred, it will be dealt with as a budget execution issue (i.e. redistribute funds from another object class).

Department of Homeland Security
Transportation Security Administration
Federal Air Marshal Service
Travel and Training
Funding Schedule
(Dollars in Thousands)

PPA: Travel and Training		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:[1]					
21.0	Travel	53,862	53,989	54,535	546
22.0	Transportation of things	8	10	10	---
23.2	Other rent	514	498	503	5
23.3	Communication, Utililities, and misc charges	83	---	---	---
25.1	Advisory & Assistance Services	1,912	498	503	5
25.2	Other Services	1,069	8,942	9,032	90
25.3	Purchase from Govt. Accts.	96	83	84	1
25.4	Operation & maintenance of facilities	8	---	---	---
25.6	Medical care	711	737	744	7
26.0	Supplies & materials	3,537	4,682	4,729	47
31.0	Equipment	4,032	653	660	7
	Total, Travel and Training	**$65,832**	**$70,092**	**$70,800**	**$708**
Full Time Equivalents		---	---	---	---

[1] Specific object class amouts have been updated to delineate the latest available spending data. As a result, numbers may differ somewhat from those depicted in MAX.

Mission Statement

The Travel and Training (T&T) PPA is used to cover all travel and training requirements that support the FAMS program. The primary components of T&T are as follows.

Travel - Supports the FAMS' requirements for mission travel (per diem, lodging) and associated costs, such as airport parking and automated travel account services. Mission travel resources are essential to the Federal Air Marshals' ability to perform scheduled flight coverage on both the domestic and international operations. These provide the FAMS the necessary mobility and flexibility to perform their enforcement and counterterrorism missions. T&T funds also support other FAMS travel required for non-mission and training purposes.

Training - T&T also supports the FAMS' comprehensive training requirements to include Phase I (basic) and Phase II (operational/tactical) training of new Federal Air Marshals and all recurrent training. This PPA also provides funding for all associated training requirements, such as Federal Law Enforcement Training Center (FLETC) costs, training-related ammunition, Phase II instructor contracts, hotel lodging contracts for Atlantic City classes, training supplies, firing range fees, professional & training gear, equipment and clothing. The T&T PPA also supports the required professional training for FAMS explosives technicians and for other professional development and career training as required.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$53,862	$53,989	$54,535	$546

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The bulk of these costs directly support Federal Air Marshal domestic and international mission travel, which is the primary mission of the Service. Also included in this object class are travel costs related to training, conference attendance and site visits. The FY 2007 request includes an increase of $546,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$8	$10	$10	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Under this PPA (T&T), costs are associated specifically with transportation of things related to Training (e.g. shipment of equipment from venders to field offices).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$514	$498	$503	$5

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The T&T PPA covers airport parking lot rental (to support mission travel operations) and other rent associated specifically with meeting the Service's training requirements. All other rent is funded through the FAMS' M&A PPA. The FY 2007 request includes an increase of $5,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$83	$0	$0	$0

The T&T PPA does not cover communications requirements. The FAMS' M&A PPA is the designated funding unit for meeting these requirements.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$1,912	$498	$503	$5

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. FAMS Phase II Instructor contract costs are included in the object class. The FY 2007 request includes an increase of $5,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,069**	**$8,942**	**$9,032**	**$90**

Other services include contractual services with non-Federal and Federal sources that are not otherwise classified under Object Class 25. The FAMS uses this object class series for FLETC costs, hotel lodging contracts for Phase II training and field offices recurring range fees for Federal Air Marshals' quarterly requalifications. The FY 2007 request includes an increase of $90,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$96**	**$83**	**$84**	**$1**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified and include costs associated with maintenance and repair of the Atlantic City training facility. The FY 2007 request includes an increase of $1,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$8**	**$0**	**$0**	**$0**

Operation and maintenance of facilities requirements includes custodial services and video communications.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$711**	**$737**	**$744**	**$7**

This object class series includes both medical care and short-term training requirements. Two training object classes (256D and 256H) were created with the conversion to the new FAMS accounting system. Therefore, short-term non-government and interagency training requirements, such as professional career development, management development courses and training certification classes for instructor, are covered in the OC series. The FY 2007 request includes an increase of $7,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$3,537**	**$4,682**	**$4,729**	**$47**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FAMS uses this object class series for medical supplies, training ammunition, armory supplies and training supplies. The FY 2007 request includes an increase of $47,000 in base adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$4,032**	**$653**	**$660**	**$7**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FAMS uses this object class series for medical and training equipment, primarily field office gym equipment used by Federal Air Marshals to meet and maintain the physical fitness requirements. The FY 2007 request includes an increase of $7,000 in base adjustments.

I. Schedule of Working Capital Fund

Not Applicable.

Department of Homeland Security

Transportation Security Administration

Fiscal Year 2007
Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

TRANSPORTATION SECURITY ADMINISTRATION (TSA)

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I. STRATEGIC CONTEXT FOR THE FY 2007 BUDGET

A. Mission and Description of the Transportation Security Administration

The Transportation Security Administration protects the Nation's transportation systems to ensure freedom of movement for people and commerce.

In response to the September 11, 2001 terrorist attacks in the United States and with the potential for future attacks in this country, Congress enacted the Aviation and Transportation Security Act (ATSA) on November 19, 2001. The ATSA established the Transportation Security Administration (TSA) to protect the transportation system and ensure the freedom of movement for people and commerce. The TSA challenge is to fulfill its mission in a constantly changing threat environment, as terrorists and other criminals continue to probe transportation systems for vulnerabilities.

Post 9/11, TSA has made significant progress to strengthen security for all modes of transportation. Supported by a dedicated workforce, TSA has implemented multiple ambitious undertakings, including deploying over 45,000 Transportation Security Officers (TSOs), formerly known as screeners, responsible for passenger and baggage security at over 449 airports, a cadre of Federal Air Marshals, hundreds of air cargo and rail inspectors, and 420 canine teams. To meet the statutory requirement of screening 100 percent of passenger and check baggage, TSA installed over 1,400 explosives detection systems, 1,850 advanced checkpoint x-ray devices, 1,800 enhanced metal detectors, and an estimated 7,263 explosives trace detection devices at these airports. Also, 59 explosives trace portal machines have been installed at checkpoints in 25 airports to detect the presence of explosives on individuals. In addition, The Federal Flight Deck Office (FFDO) program has been successful in deputizing thousands of airline pilots flying tens of thousands of mission legs each month throughout the nation. These pilots have received training in firearms proficiency, self-defense tactics, authorities, and decision making to defend the cockpit.

To enhance performance and create better alignment with the Second Stage Review of the Department of Homeland Security (DHS), TSA is in the final phases of restructuring itself. The restructuring will put a focus on communications and mobility in deploying the organization's limited resources to better address vulnerabilities and threats. Restructuring the organization to operate with randomness using a flexible, risk-based workforce will allow TSA to better control its domain and protect the transportation network. The restructuring empowers a motivated workforce where senior leadership sets policy and decision-making as far down in the organization as possible. Operationally, there are four key offices: 1) Security Operations; 2) Transportation Sector Network Management (TSNM); 3) Law Enforcement/Federal Air Marshal Service; and 4) Operational Process and Technology. The new TSNM organization is fairly unique in the Federal government. It will communicate and work closely with stakeholders on specific transportation security issues, including the development of security plans.

TSA's security strategy based on the following four operating principles:

1. TSA will use risk/value analysis to make investment and operation decisions. TSA will assess risks based on threat and vulnerability, including to people, transportation assets, and the economy.

2. TSA will incorporate unpredictability into its procedures so that terrorists cannot use the predictability of security measures to their advantage in planning or carrying out a threat.

3. TSA will apply intelligence and focus its security measures on the terrorists and the means for carrying out the threat by enhancing techniques to identify terrorists, detecting explosive devices at TSO checkpoints, and gathering and disseminating timely intelligence.

4. TSA will build partnerships across all levels of government (e.g., Federal, state, and local) to enhance security. Our new organizational structure of TSA places renewed emphasis on building information sharing networks in every transportation sector.

B. Major Activities and Key Strategic Issues

TSA received $6.2 billion in gross budget authority FY 2006 to protect the Nation's aviation, transit, railway, highways and pipeline systems. The nation's transportation systems are inherently "open" environments, designed to move people and commerce quickly to their destinations. Given this environment, TSA is using its budget to establish the best possible security strategies, while maintaining quick and easy access for passengers and cargo. FY 2006 funds are being used to support the following five major TSA program activities/appropriations.

Major Activities (Appropriations):
Aviation Security program allowed TSA to ensure the safety of the traveling public in secure airport terminals and aboard aircraft during FY 2005. In FY 2006, TSA will strive to maintain an acceptable level of public confidence and satisfaction with the security of the aviation system. In FY 2007, TSA will secure the transportation system by use of air cargo and airport/airline regulation compliance inspections, leading edge technology, K-9 units, and reimbursements provided to state and local law enforcement for support provided at commercial airport checkpoints.

Federal Air Marshals Service (FAMS) supports the ongoing necessity to provide qualified Federal Air Marshals to assist in the protection of the transportation system. While providing air security on thousands of flights, the FAMS Mission Scheduling System and the capabilities of the Surveillance Detection System (SDS) were enhanced during FY 2005. During FY 2006, the FAMS will fulfill its mission while continuing to implement and maintain enhancements to its various support systems. In FY 2007, FAMS will provide superior security to the transportation system. They will also continue the development and maintenance of their infrastructure, internal processes and strategic systems that enable the Service to seamlessly perform its integrated set of mission functions.

Surface Transportation Security efforts include resources for TSA's security operations in all non-aviation modes of transportation. In FY 2005, TSA participated in Transit Watch, Security Roundtable conferences, and Connecting Communities Emergency Response and Preparedness training workshops. During FY 2006, TSA will conduct inspections to monitor and enforce compliance with standards and regulations. In FY 2007, TSA and its partners will develop best practices, standards, and regulations to protect the transportation infrastructure. In addition, continued inspections monitoring and enforcing compliance with standards and regulations will occur, along with designing and implementing vulnerability assessment models for all surface transportation modes.

Transportation Threat Assessment and Credentialing provided centralized vetting capability services during FY 2005 for Alien Flight Schools, commercial aviation crew members and personnel, Hazardous Material Commercial Driver's License, and some general aviation operators. During FY 2006, into and through FY 2007, TSA will enhance its vetting operations and system

upgrades for Secure Flight, Crew Vetting, Hazardous Material Commercial Driver's License, Transportation Worker Identification Credentials, Domestic Registered Traveler, and Alien Flight School programs.

Transportation Security Support supports the operational needs of TSA's extensive airport/field personnel and infrastructure. During FY 2005, TSA provided front-line service delivery with well-trained managers to its field components. A recent organizational restructuring will cause enhanced delivery of service during FY 2006. In FY 2007, TSA will develop and implement updated policies and security directives, where appropriate, along with the provision of timely and robust support to TSA's operational units.

Key Strategic Issues:
TSA will continue to work with Congress, OMB, DHS and other stakeholders to identify overlaps and intersections between transportation modes to determine effective ways to utilize resources and share best practices. To meet the security needs across the transportation sector, TSA will address certain key strategic issues.

STRATEGIC ISSUE 1: Predictability

Due to the ever-evolving threat to commercial aviation, TSA will vary its screening procedures to more screenings of passengers and their bags using a variety of random methods. It is paramount to the security of the aviation system that terrorists do not know, with certainty, what screening procedures they will encounter at airports around the nation. By incorporating unpredictability into procedures and eliminating low-threat items, TSA can better focus its efforts on stopping individuals that wish to disrupt or do harm to the transportation sector.

STRATEGIC ISSUE 2: Keeping Pace With Emerging and Changing Threats

This issue encompasses TSA's concentric four rings of security – securing infrastructure perimeter; enforcing security and surveillance detection; screening passengers, baggage and cargo; and securing assets. Common to each ring of defense is TSA's reliance on its personnel and technology.

Personnel
TSA's aviation workforce is comprised of federalized TSOs who make up an integral front line for aviation security. Similarly, in the rail, mass transit and highway modes, TSA personnel are critical to security efforts as well by conducting risk assessments, identifying vulnerabilities and implementing countermeasures.

Technology
Technology plays a critical role in enabling TSA to achieve its mission. TSA must be able to support its security and information technology (IT) needs to purchase, deploy, and maintain security screening equipment, IT connectivity, automation services, and applications. As TSA moves further into the future, emerging technology will continue to play a significant role in the security of all modes of transportation and communications with transportation stakeholders. In addition, TSA must ensure that the necessary systems are in place to manage its business in real time, communicate vital intelligence information with the appropriate transportation stakeholders, and coordinate seamlessly between TSA headquarters and field offices, other Federal agencies, state and local governments and the private sector. With secure systems in place, officials will be able to expedite the flow of vital intelligence information and facilitate interactions more effectively.

STRATEGIC ISSUE 3: Sharing / Using Information and Intelligence

TSA is responsible for protecting the nation's vastly complex transportation system against terrorist groups which hold the advantage of being able to choose from an almost infinite number of targets and attack methods. To effectively use its resources, TSA is leveraging intelligence, analyzing threats, and is helping to manage risks to: 1) prioritize transportation security efforts and protective programs; 2) pioneer innovative analytics; and 3) smoothly transform the flow of intelligence into effective countermeasures and actions.

To monitor terrorist threat, TSA continuously reviews intelligence reports, tests existing protective programs, and develops intellectual capital on threat scenarios through analysis. Although TSA has made significant progress, it must continue to implement programs based on threats and streamline the flow of intelligence information from Federal, state, local, and private sector sources so that DHS has an accurate picture of potential threats.

C. Resources Requested and Performance Impact

Aviation Security
TSA requests $4.7 billion for the Aviation Security appropriation in FY 2007. These funds will support the current federalized and privatized workforce, provide sufficient training and other support for both passenger and baggage screening, and continue other critical aviation security regulation and enforcement activities. Critical increases are requested for the HR services to improve workforce retention rates and enhance checkpoint explosive detection technology. An additional $250 million will be provided by the Aviation Security Capital Fund for EDS installations.

Federal Air Marshal Service
TSA request $699.3 million to support this program. The funds support the recruitment and deployment of qualified Federal Air Marshals, while ensuring they are properly trained, equipped, and assisted to meet the mission of protecting the Nation's transportation system.

Surface Transportation Security
The budget requests $37.2 million for the Surface Transportation Security appropriation in FY 2007. These funds will maintain TSA's various surface transportation security initiatives, including the surface transportation inspectors added in FY 2005.

Transportation Threat Assessment and Credentialing (TTAC)
TSA requests $130.8 million in funding for TTAC program, which includes a request for $54.7M in appropriated funds to support the implementation and continuation of initiatives under the Secure Flight and Crew Vetting programs as well as implementation and start-up costs for other credentialing programs. TSA also requests the authority to spend a total of $76.1 million in fees collected through the Domestic Registered Traveler program, the Transportation Worker Identification Credential, the HAZMAT Truck Driver Certification program, and the Alien Flight Student program.

Transportation Security Support
TSA requests $527.3 million for the Transportation Security Support appropriation. These funds will ensure that TSA's TSOs and other operational employees have sufficient intelligence information, information technology, management direction, administrative services, and other key support to accomplish the agency's mission. TSA will continue to seek opportunities to increase efficiencies in these programs through innovative approaches and improved management.

PART Reviews

TSA continues to use the process associated with OMB's Program Assessment Rating Tool (PART) to enhance our ability to make informed budget decisions, support the management of programs, identify potential issues, and measure and track performance. TSA is committed to the PART process and effective and efficient operations.

OMB PART Recommendations	TSA Actions
FY 2005 *Aviation Passenger Screening Program* 1. Solicit an independent evaluation of the Passenger Screener Performance and Passenger Screening System performance measures. 2. Request a study by an independent entity to determine the optimal mix of part-and full-time employees for passenger and baggage security screening functions.	*Aviation Passenger Screening Program* 1. TSA reviews determined report the component parts of the indices separately. Thus, plans for the independent review are no longer needed. 2. In CY 2004, TSA completed an analysis based on the US Commercial Aviation Partnership (USCAP) model to find the optimal mix of part-and full-time employees for passenger and baggage security.
FY 2006 *Screener Workforce* 1. Improve the screener workforce through implementation of advanced training programs and incentive programs to improve recruitment efforts and reduce attrition by the third quarter of FY 2006. 2. Develop performance targets for new performance measures by the second quarter of FY 2006. 3. Conduct a Screener Summit and bring various levels of screeners to address workforce performance needs and obtain feedback. *Screener Training* 1. Ensure all airports are able to conduct on-line training by the third quarter of FY 2006. 2. Train all screeners on Improvised Explosive Device (IED) detection by the end of fiscal year 2006. 3. Take action, as appropriate, on 100% of DHS Inspector General or General Accountability Office recommendations by the end of FY 2006. 4. Assess remedial training standards and update as appropriate by FY 2007. *Baggage Screening Technology* 1. Procure and deploy approximately 125 Next Generation EDS machines by 2007. 2. Develop and implement performance targets for the new performance measures. 3. Complete a comprehensive capital plan that addresses long term system performance needs. *Passenger Screening Technology* 1. Purchase sufficient explosive trace portals to achieve one unit per four lanes of screener checkpoints at the Category X and I airports by FY 2007 2. Develop and implement performance targets for the new performance measures by the second quarter of FY 2006. 3. Complete a comprehensive capital plan that addresses long term system performance needs by the third quarter of FY 2006.	*Screener Workforce* 1. TSA is improving the screener workforce through two new programs that will realign funding of base resources. 2. Measures and targets are being developed in this program. 3. A final report with recommendations will be submitted by the second quarter of FY 2006. *Screener Training* 1. TSA will support program improvements, primarily via TSA's Online Learning Center (OLC). 2. TSA will: a. Require all instructors to complete On the Job Training (OJT); b. Continue the development of evaluations; c. Develop Threat Image Projection (TIP) user adaptability features to maximize TIP training benefits; d. Expedite TRX connectivity; and e. Ensure screener certification on the specific make and model of ETD and EDS machines they operate. 3. Measures have been modified per GAO and IG recommendations. 4. Appropriate steps toward this goal will be taken in FY 2006. *Baggage Screening Technology* 1. Funding is in the budget and has been allocated as required. 2. Measures and targets have been developed and reported on in FYHSP. 3. TSA has developed a business plan, and Strategic Plan and Quality Management System to address performance measurement deficiencies. *Passenger Screening Technology* 1. Funding has been placed in the budget and has been allocated as required. 2. Measures and targets have been developed in this program and reported on in FYHSP. 3. TSA has developed a business plan, and Strategic Plan and Quality Management System to address system performance improvements.
FY 2007 *Aviation Regulation and Enforcement* 1. Develop and implement performance targets for the new performance measures by the second quarter of FY 2006. 2. Complete a comprehensive capital plan that addresses long term system performance needs by the third quarter of FY 2006. 3. By FY 2007, develop baselines and ambitious targets for the annual measures. 4. Develop a long-term outcome oriented performance measure that measures risk reduced as a result of implementing program objectives. This goal will be included in the FY 2008 Budget. *Air Cargo Security* 1. Deploy the Freight Assessment System to improve gap analyses and risk/vulnerability assessments. Complete the pilot by the middle of calendar year in 2006 and full deployment beginning in FY 2007 and completing in FY 2008. 2. Develop a long-term outcome oriented performance measure that measures risk reduced as a result of implementing program objectives. This goal will be included in the FY 2008 Budget. 3. By the end of FY 2006, TSA will develop and deploy a pay-for-performance system to hold federal managers accountable for cost,	*Aviation Regulation and Enforcement* 1. Measures and targets are currently being developed in this program. 2. TSA has developed a business plan, and Strategic Plan and Quality Management System to address system performance improvements. 3. Some of the measures seen in this program have already reported baseline numbers. Upon receiving actuals for FY 2006, TSA will create targets for outlying years, for those targets that have not already been established. 4. TSA has developed long term outcome measures for major programs. These risks based long term outcome measures are being reviewing towards meeting the timeline. *Air Cargo Security* 1. TSA cancelled the pilot program for Freight Assessment System (FAS) and will go forward with the project using a different strategy. The new approach will provide measurable outputs immediately once data is available. 2. TSA has developed long term outcome measures for major programs. These risks based long term outcome measures are being reviewed towards meeting the timeline incorporating the FY 2006 Air Cargo Security. 3. TSA is creating a pay-for-performance system, which will hold

schedule, and performance results. *Flight Crew Training* 1. By FY 2007, develop a plan to systematically review current regulations to ensure consistency among all regulations in accomplishing program goals. 2. By FY 2007, develop an independent evaluation process to ensure programs are comprehensively reviewed on a regular basis. 3. Develop a long-term outcome oriented performance measure that measures risk reduced as a result of implementing program objectives. This goal will be included in the FY 2008 Budget. 4. By FY 2007, develop baselines and ambitious targets for the annual measures. 5. By the end of FY 2006, TSA will develop and deploy a pay-for-performance system to hold federal managers accountable for cost, schedule, and performance results.	federal managers accountable for cost, schedule and performance results. It is tentatively scheduled to be implemented on April 1, 2006. *Flight Crew Training* 1. TSA will begin developing a plan of review of current and anticipated regulations to ensure consistency between them and with their objectives. 2. TSA will develop an independent evaluation process to ensure programs are regularly reviewed. 3. TSA has developed long term outcome measures for major programs. These risks based long term outcome measures are being reviewed towards meeting the timeline incorporating the FY06 Flight Crew Training PART with a view towards meeting the timeline and providing at least one long-term outcome measure. 4. Some of the measures, seen in the program, have already reported baseline numbers. Upon receiving actuals for FY 2006, TSA will trend the data and create targets for outlying years, for those targets that have not already been established. 5. TSA is creating a pay-for-performance system, which will hold federal managers accountable for cost, schedule and performance results. It is tentatively scheduled to be implemented on April 1, 2006.

D. How TSA Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives

The following list of TSA programs with performance goals are followed by the DHS strategic objective or objectives they support.

Aviation Security Performance Goal - Reduce the probability of a successful terrorist or other criminal attack to the air transportation system by improved passenger and baggage screening processes.

Strategic Objective 2.3: Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.
Strategic Objective 2.5: Strengthen the security of the Nation's transportation system
Strategic Objective 3.1: Protect the public from acts of terrorism and other illegal activities.

Federal Air Marshal Service Performance Goal - To promote confidence in our nation's civil aviation system through the effective deployment of Federal Air Marshals to detect, deter, and defeat hostile acts targeting U.S. air carriers, airports, passengers, and crews.

Strategic Objective 2.5: Strengthen the security of the Nation's transportation system.
Strategic Objective 3.1: Protect the public from acts of terrorism and other illegal activities.

Surface Transportation Security Performance Goal - Reduce the probability of a successful terrorist or other criminal attack on surface transportation systems through the issuing of standards, compliance inspections, and vulnerability assessments.

Strategic Objective 1.2: Identify and assess the vulnerability of critical infrastructure and key assets.
Strategic Objective 2.5: Strengthen the security of the Nation's transportation system

Transportation Threat Assessment and Credentialing Performance Goal - Reduce the probability of a successful terrorist or other criminal attack to the transportation system through application of the threat assessment methodologies utilized by TTAC that are intended to identify known or suspected terrorist threats working or seeking to access the Nation's transportation system.

Strategic Objective 1.3: Provide timely, actionable, accurate, and relevant information based on intelligence analysis and vulnerability assessments to homeland security partners, including the public.
Strategic Objective 2.5: Strengthen the security of the Nation's transportation system.

Transportation Security Support Performance Goal - 100% of distribution of sensitive threat information relative to DHS/TSA components, field elements and stakeholders.

Strategic Objective 1.1: Gather, fuse, and analyze all terrorism and threat related intelligence.
Strategic Objective 2.5: Strengthen the security of the Nation's transportation system.

E. Performance Based Budget Highlights by Program

Performance Goal: Reduce the probability of a successful terrorist or other criminal attack to the air transportation system by improved passenger and baggage screening processes.						
Measure: Percent of the nationally critical aviation transportation assets or systems that have been assessed during the fiscal year and have mitigation strategies in place to reduce risk. (One-third of assets every year to meet requirement of conducting assesments every three years)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	33%	33%	33%
	Actual	N/A	N/A	55%		
Measure: Level of the Customer Satisfaction Index (CSI-A) for Aviation Operations.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	Baseline	80 (+/- 5%)	81 (+/- 5%)	82 (+/- 5%)
	Actual	N/A	79	78		
Measure: Passenger screening covert test results (percent of screeners correctly identifying and resolving.)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Classified	Classified	Classified
	Actual	N/A	N/A	Classified		
Measure: Baggage screening covert test results (percent of screeners correctly identifying and resolving.)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Classified	Classified	Classified
	Actual	N/A	N/A	Classified		
Measure:Cost Per Person Screened -- PART FY 2006 (Screener Workforce)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	Under Development	Under Development
	Actual	N/A	N/A	$2.47		
Measure:Percentage of screeners scoring above the national standard level of Threat Image Projection (TIP) performance -- PART FY 2006 (Screener Workforce)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	Classified	Classified	Classified	Classified
	Actual	N/A	Classified	Classified		
Measure:Cost per bag screened -- PART FY 2006 (Screener Workforce)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	Under Development	Under Development
	Actual	N/A	N/A	$3.44		
Measure:Level of training course evaluation performance -- PART FY 2006 (Screener Training)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	0	4.6	4.64
	Actual	N/A	N/A	4.65		
Measure: Level of training programs and projects within 10% of program plan -- PART FY 2006 (Screener Training)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	73.00%	84.00%	90.00%
	Actual	N/A	N/A	72.00%		
Measure:Percent of screeners scoring 85% or greater on annual performance recertification on first attempt -- PART FY 2006 (Screener Training)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	78.80%	86.20%	91.00%
	Actual	N/A	N/A	48.67%		
Measure: Level of passenger screening machine efficiency -- PART FY 2006 (Screening Technology, PAX)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	Under Development	Under Development
	Actual	N/A	N/A	$0.04		
Measure:Passenger Machine Effectiveness-PART FY 2006 (Screening Technology, PAX)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	Classified	Classified	Classified	Classified	Classified
	Actual	Classified	Classified	Classified		
Measure: Baggage Screening level of machine effectiveness -- PART FY 2006 (Screening Technology, BAG)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	Classified	Classified	Classified	Classified	Classified
	Actual	Classified	Classified	Classified		

Measure: Level of baggage screening machine efficiency -- PART FY 2006 (Screening Technology, BAG)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	Under Development	Under Development
	Actual	N/A	N/A	$0.22		
Measure: Average number of days holding time before dogs enter into formal training -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	135	120
	Actual	N/A	N/A	184		
Measure: Average number of domestic inspections conducted per inspector -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	Baseline	47	102	102
	Actual	N/A	45	97		
Measure: Average number of international inspections conducted annually per inspector -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	7.00	8.00
	Actual	N/A	N/A	8.13		
Measure: Number of inspections conducted domestically by TSA -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	109,909	109,900
	Actual	N/A	N/A	104,671		
Measure: Number of qualified participants (aviation and mass transit) that have executed Cooperative Agreement for TSA-certified explosives detection canine teams -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	Baseline	82	92	102
	Actual	N/A	64	66		
Measure: Percent of airports' costs of providing law enforcement presence offset by reimbursement provided to airports through the reimbursable agreement -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	85.00%	83.00%
	Actual	N/A	N/A	88.00%		
Measure: Percent of the 98 countries with Last-Point-of-Departure (LPD) service to the US provided aviation security assistance at national (e.g., Civil Aviation Security Program) or airport level (e.g. Threat Intelligence Daily) -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	100.00%	100.00%
	Actual	N/A	N/A	100.00%		
Measure: Percentage compliance with leading security indicators (air carriers) -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	Baseline	Under Development
	Actual	N/A	N/A	N/A		
Measure: Percentage compliance with leading security indicators (airports) -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	Baseline	Under Development
	Actual	N/A	N/A	N/A		
Measure: Percentage of 123 countries/territories with no direct service to the US provided aviation security assistance at national or airport levels -- PART FY 2007 (Aviation Regulation and Enforcement)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	4.00%	6.00%
	Actual	N/A	N/A	2.00%		

Measure: Level of trainee satisfaction -- PART FY 2007 (Flight Crew Training)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	4.64	4.68
	Actual	N/A	N/A	4.65		
Measure: Number of positive responses on the following TSA survey question: How confident are you in the ability of the flight crew to keep air travel secure and to defend the aircraft and its passengers from individuals with hostile intentions? -- -- PART FY 2007 (Flight Crew Training)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	Under Development	Under Development
	Actual	N/A	N/A	Awaiting Data		
Measure: Percentage of training programs within 10 percent of cost and schedule -- PART FY 2007 (Flight Crew Training)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	73.00%	84.00%	90.00%
	Actual	N/A	N/A	86.77%		
Measure: Average time (in minutes) per initial inspection of an Indirect Air Carrier -- PART FY 2007 (Air Cargo)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	175	170
	Actual	N/A	N/A	180		
Measure: Number of days it takes to certify a new applicant as an Indirect Air Carrier -- PART FY 2007 (Air Cargo)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	90	89
	Actual	N/A	N/A	30		
Measure: Number of inspections of identified 'elevated risk' air cargo on all air carriers -- PART FY 2007 (Air Cargo)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	100.00% Domestic	100.00% Domestic
	Actual	N/A	N/A	0.00%		
Measure: Percent of Indirect Air Carriers found to be compliant with TSA standard security programs -- PART FY 2007 (Air Cargo)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	84.00%	87.00%	89.00%
	Actual	N/A	N/A	76.70%		
Program: Aviation Security	$ Thousands			$5,211,456	$5,097,119	$5,616,167
	FTE			52,135	48,977	48,889

Performance Goal: Reduce the probability of a successful terrorist or other criminal attack on surface transportation systems through the issuing of standards, compliance inspections, and vulnerability assessments.						
Measure: Percent of nationally critical surface transportation assets or systems that have been assessed during the fiscal year and have mitigation strategies in place to reduce risk.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	Baseline	3.57%	14.28%
	Actual	N/A	N/A	0.75%		
Program: Surface Transportation Security	$ Thousands			$36,000	$58,200	$37,200
	FTE			291	368	368

Performance Goal:100 percent distribution of sensitive threat information relative to Department of Homeland Security / Transportation Security Administration components, field elements and stakeholders.						
Measure: Number of successful attacks resulting from mishandling or misinterpreting intelligence information received by TSA intelligence service.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	0	0	0	0	0
	Actual	0	0	0		
Program: Intelligence	$ Thousands			$14,000	$21,000	$21,000
	FTE			99	95	95

F. Digest of Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Aviation Security	50,269	$4,796.6	49,540	$5,006.1	49,520	$5,181.2	(20)	95	—	—	(20)	95
TSO Workforce Passenger Security	28,785	$1,504.2	28,448	$1,511.4	28,426	$1,556.2	(22)	45	—	—	(22)	45
TSO Retention Program						$6.3	—	6	—		—	6
TSO Worker's Comp						$3.7		4				4
TSO Workforce Baggage Security	16,905	$782.0	16,708	$879.0	16,695	$914.0	(13)	35	—	—	(13)	35
TSO Retention Program						$12.6		13				13
TSO Worker's Comp						$7.4		7				7
Privatized Screening		$152.4		$138.9		$148.6	—	10		—	—	10
TSO Training and Other (HR)		$422.0		$451.2		$451.7	—	0	—	—	—	0
Checkpoint Support		$89.3		$164.1		$173.4	—	9	—	—	—	9
EDS/ETD Systems		$588.0	14	$440.5	14	$442.0	—	1	—	—	—	1
EDS Purchase (includes Lifecycle Replacement)		$175.5		$174.0		$91.0	—	(83)	—	—	—	(83)
EDS Installation		$217.8		$44.7		$94.0	—	49	—	—	—	49
EDS Maintenance		$194.7		$198.9		$234.0	—	35	—	—	—	35
Operations Integration			14	$22.9	14	$23.0	—	0	—	—	—	0
Aviation Regulation and other Enforcement	893	$197.4	999	$221.2	975	$217.5	(24)	(4)	—	—	(24)	(4)
Airport Management, IT and Support	2,172	$483.3	2,085	$682.2	2,085	$666.0	—	(16)	—	—	—	(16)
Flight Crew Training	14	$19.3	25	$30.3	25	$30.5	—	0	—	—	—	0
Air Cargo	160	$27.1	246	$54.7	300	$55.0	54	0	—	—	54	0
Foreign and Domestic Repair Stations			15	$3.0			(15)	(3)	—	—	(15)	(3)
Airport Perimeter Security				$5.0			—	(5)	—	—	—	(5)
HQ Admin & IT Support	1,340	$531.6	1,316	$484.6	1,346	$506.3	30	22	—	—	30	22
Procurement Staff Additional funding					*30*	*$6.5*	30	6	—	—	30	6
Internal Controls/Audit						*$1.0*	—	1	—	—	—	1
Transportation Vetting & Credentialing	60	$47.7	45	$113.2	118	$128.8	23	16	(95)	(13)	(118)	(129)
Secure Flight	41	$31.1	45	$56.1	51	$40.0	6	(16)	(45)	(56)	(51)	(40)
Crew Vetting	16	$8.4	38	$13.2	42	$14.7	4	2	(38)	(13)	(42)	(15)
Credentialing (Screening Admin & Ops)		[5]		$5.0		$0.0	—	(5)	—	(5)	—	—
TWIC					7	$20.0	7	20	—	—	(7)	(20)
Registered Traveler	3	$8.3	6	$20.0	12	$35.1	6	15	(6)	(20)	(12)	(35)
HAZMAT CDL			6	$19.0	6	$19.0	—	—	(6)	(19)	(6)	(19)
Alien Flight School				$2.0		$2.0	—	—	—	(2)	—	(2)
Surface Transportation Security	190	$82.1	297	$35.7	297	$37.2	—	2	(297)	(36)	(297)	(37)
Surface Transportation Security Staffing	162	$25.5	197	$23.8	197	$24.0	—	0	(197)	(24)	(197)	(24)
TWIC Startup/Hwy Watch	6	$13.2					—	—	—	—	—	—
Rail Security - Inspectors (Haz Mat in FY05) & Canines	22	$2.1	100	$7.9	100	$13.2	—	5	(100)	(8)	(100)	(13)
HAZMAT		$7.0		$4.0			—	(4)	—	(4)	—	—
Grants		$17.6					—	—	—	—	—	—
Port Security Incident Response		$16.7					—	—	—	—	—	—
Intelligence	82	$13.8	99	$20.8	99	$21.0		0	(99)	(21)	(99)	(21)
Federal Air Marshal Service		$669.9		$679.3		$899.3		220		(67)		1599
R&D (transferred to S&T in FY 2006)	72	$178.9	0	$0.0	0	$0.0	—	—	—	—	—	—
Subtotal (Discretionary budget authority)	50,673	$5,741.3	50,347	$5,801.9	50,380	$6,047.5	33	246	(50,347)	(5,802)	(50,380)	(6,047)
Aviation Security fees		($1,918.6)		($2,010.0)		($3,736.2)	—	(1,726)	—	2,010	—	3,736
Other Credentialing Enterprise Fees		($4.2)		($39.0)		($74.1)	—	(35)	—	39	—	74
Subtotal (Fee Offsets)		**($1,922.8)**		**($2,049.0)**		**($3,810.3)**	—	(1,761)	—	2,049	—	3,810
Net Discretionary		**$3,818.6**		**$3,752.9**		**$2,237.2**	—	(1,516)	—	(3,753)	—	(2,237)
Mandatory Programs							—	—	—	—	—	—
Aviation Security Capital Fund		$195.3		$250.0		$250.0	—	—	—	(250)	—	(250)
Alien Flight School		$1.4		$2.0		$2.0	—	—	—	(2)	—	(2)
Subtotal		**$196.7**		**$252.0**		**$252.0**	—	—	—	(252)	—	(252)
Total funding		**$5,938.0**		**$6,053.9**		**$6,299.5**	—	246	—	(6,054)	—	(6,299)

Department of Homeland Security

Federal Law Enforcement Training Center



Fiscal Year 2007

Overview
Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Federal Law Enforcement Training Center
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	949	$167,518	1,001	$192,060	1,016	$202,310	15	$10,250	15	$6,187	---	$4,063
Acquisition, Construction, Improvements, and Related Expenses	---	60,050	---	87,474	---	42,246	---	(45,228)	---	1,000	---	(46,228)
Subtotal, Enacted Appropriations and Budget Estimates	**949**	**$227,568**	**1,001**	**$279,534**	**1,016**	**$244,556**	**15**	**($34,978)**	**15**	**$7,187**	**0**	**($42,165)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**949**	**$227,568**	**1,001**	**$279,534**	**1,016**	**$244,556**	**15**	**($34,978)**	**15**	**$7,187**	**0**	**($42,165)**

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
Federal Law Enforcement Training Center
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses	538	$98,570	444	$81,498	982	$180,068	647	$125,518	354	$66,542	1,001	$192,060	645	$129,057	371	$73,253	1,016	$202,310
- Law Enforcement Training	533	97,638	440	80,839	973	178,477	641	124,633	351	66,071	992	190,704	640	128,211	369	72,809	1,009	201,020
- Accreditation	5	872	4	659	9	1,531	6	885	3	471	9	1,356	5	846	2	444	7	1,290
Acquisition, Construction, Improvements & Related Expenses		$27,260		$19,539		$46,799		$73,496		$13,978		$87,474		$27,690		$14,556		$42,246
Total Direct Appropriations and Budget Est	538	$125,770	444	$101,037	982	$226,807	647	$199,014	354	$80,520	1,001	$279,534	645	$156,747	371	$87,809	1,016	$244,556

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Federal Law Enforcement Training Center

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Conference Report 109-241, page 77 directs the Department to provide a report on the utilization rates of the Cheltenham, Maryland training site and how it intends to improve usage. Required due date is February 10, 2006.

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iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Federal Law Enforcement Training Center
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Salaries and Expenses	**N/A**	**N/A**	**N/A**	**$202,310**
- Law Enforcement Training	N/A	N/A	N/A	201,020
- Accreditation	N/A	N/A	N/A	1,290
Acquisition, Construction, Improvements and Related Expenses	**N/A**	**N/A**	**N/A**	**42,246**
Total Direct Authorization/Appropriation				**$244,556**

Department of Homeland Security

Federal Law Enforcement Training Center

Salaries and Expenses

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL LAW ENFORCEMENT TRAINING CENTER
SALARIES & EXPENSES (S&E)

I. Appropriation Overview

A. Mission Statement for S&E:
We are the leader in career-long law enforcement training. We prepare law enforcement professionals to fulfill their responsibilities safely and proficiently, ensuring that training is accomplished in the most cost-effective manner.

B. Budget Activities:

Federal, State and Local Training
FLETC serves as an interagency law enforcement training organization for 82 Federal agencies with personnel located throughout the United States and its territories. The Center also provides services to State, local, and international law enforcement agencies, and on a space available basis, other agencies with related law enforcement missions. FLETC provides a limited amount of export training conducted at other locations. This delivery method is used when the programs being conducted do not require the use of certain specialized facilities and when a geographical concentration of personnel can be identified.

Consolidation of law enforcement training permits the Federal Government to emphasize training excellence and cost-effectiveness. Professional instruction and practical application provide students with the skills and knowledge necessary to meet the demanding challenges of a Federal law enforcement career. Personnel learn not only the responsibilities of a law enforcement officer, but through interaction with students from many other agencies, they also become acquainted with the missions and duties of their colleagues. This interaction provides the foundation for a more cooperative Federal law enforcement effort.

FLETC's Partner Organizations have considerable input regarding training issues and operational and functional aspects of the Center. Representatives from these agencies take part in regular curriculum review and development conferences, and also participate in the development of FLETC policies and directives. This relationship is characteristic of a "true partnership," responsive to the training mission.

Accreditation
Training policy, programs, and standards are established by an interagency Board of Directors, comprised of eight members. They occupy positions at the Under Secretary, Assistant Secretary, or equivalent level and represent all agencies which have organizations participating in activities at FLETC. The establishment and publication of professionally developed, recognized, and maintained training standards for Federal law enforcement ensures a disciplined and systematic approach to Federal law enforcement training.

FLETC's goals include:

- **Provide training that develops the skills and knowledge to perform law enforcement functions safely, effectively and professionally.**
    - Establish and maintain robust processes to examine law enforcement trends and emerging issues that affect training content, development and delivery.
    - Ensure training content addresses validated knowledge, skills and abilities, is conducted in accordance with professional standards and is presented with sound adult learning education and training practices.
    - Enhance the readiness of Federal law enforcement agents and officers to respond effectively to terrorist events.
        - Expand anti and counter terrorism training programs
        - Enhance intelligence training programs

- **Significantly expand access to and availability of quality law enforcement training.**
    - Maintain and "use" the FLETC Master Plan as a living-planning tool—baseline for budget and training capacity.
    - Acquire alternative resources – use alternative funding sources such as asset forfeiture funds and partner organization supplements.
    - Develop and deliver more intelligence training programs by FY 2006.
    - Design and construct counterterrorism facilities.

- **Develop alternative delivery methods.**
    - Invest in simulation technology to augment existing training methods to provide training not available using traditional training methods and facilities.

C. Budget Request Summary:

FLETC requests 1,041 positions, 1,016 FTE, and $202,310,000. The total adjustment-to-base is $4,063,000. Program increases include 15 positions, 15 FTE, and $6,187,000 to:

- Provide additional instructor cadre, program cost and facility maintenance to support additional training of Border Patrol Agents and ICE Investigators. (9 positions, 9 FTE, and $4,845,000)
- Provide additional instructor cadre and facility maintenance for the Practical Application/Counter Terrorism Operations Training Facility. (6 positions, 6 FTE, and $1,042,000)
- Provide compensation to recipients receiving law enforcement accreditation. ($300,000)

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Law Enforcement Training	940	165,875	992	190,704	1,009	201,020	17	$10,316	15	5,887	2	$4,429
Accreditation	9	1,643	9	1,356	7	1,290	(2)	($66)	--	300	(2)	(366)
Subtotal, Enacted Appropriations and Budget Estimates	949	$167,518	1,001	$192,060	1,016	$202,310	15	$10,250	15	$6,187	--	$4,063
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	949	$167,518	1,001	$192,060	1,016	$202,310	15	$10,250	15	$6,187	--	$4,063

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
Program Performance Justification
(Dollars in thousands)

PPA: SALARIES & EXPENSES

	Perm Pos	FTE	Amount
2005 Actual	**973**	**949**	**$167,518**
2006 Enacted	**1,026**	**1,001**	**192,060**
2007 Adjustments-to-Base	...	0	4,063
2007 Current Services	**1,026**	**1,001**	**196,123**
2007 Program Change	15	15	6,187
2007 Request	**1,041**	**1,016**	**202,310**
Total Change 2006-2007	15	15	10,250

FLETC requests $202 million for this activity. This is a total increase of $10.2 million which includes $4 million for pay/non pay inflation and maintenance of new facilities required for increased Border Patrol and ICE training and total program increases of $6.2 million covering accreditation ($0.3M), PA/CTOTF ($1M) and training costs associated with a significant expansion of Border Patrol Agents and ICE personnel included outside the FLETC budget ($4.8M).

CURRENT SERVICES PROGRAM DESCRIPTION:

Law Enforcement Training: FLETC services to its three major client groups underscores its homeland security support mission in promoting intergovernmental cooperation in law enforcement preparedness.

Federal – FLETC provides law enforcement training to 82 Federal agencies having enforcement responsibilities. We prepare new and experienced law enforcement professionals to fulfill their responsibilities in a safe manner and at the highest level of proficiency. The average basic student spends 12 weeks at FLETC and receives a combination of classroom instruction and hands-on practical exercise training in all phases of law enforcement from firearms and high-speed vehicle operations to legal case instructions and defendant interview techniques. Students must apply their classroom knowledge during exercises that simulate typical situations encountered on the job. To add realism, these exercises often involve contract role players who act as victims, witnesses, or suspects. Each of the basic programs provides the core knowledge essential for any new federal officer or agent to carry out their duties in a safe and efficient manner.

In addition to basic training, FLETC offers advanced and specialized training for career-long law enforcement preparation in subjects that are common to two or more of its Partner Organizations. Examples include Antiterrorism Port Security Boat Operations, Cyber Counterterrorism Investigator Training, Covert Electronics Surveillance, Critical Infrastructure Protection, Financial Forensics Techniques, Intelligence Analysts Training and Land Transportation Antiterrorism Training.

State and local – The National Center for State and Local Law Enforcement Training trains personnel from state and local law enforcement agencies in advanced topics designed to develop specialized law enforcement skills. The participants benefit from the Federal expertise and specialized training available and receive instruction specific to their needs. Additionally, the program offerings are in subjects not generally available from state and local police academies or colleges and universities.

International – In the interest of combating global crime and protecting U.S. interests abroad, FLETC offers a range of training programs to foreign law enforcement agencies. Training focuses on three main areas: the U.S. Government's Law and Democracy Program; the Antiterrorism Assistance Program; and the International Law Enforcement Academy operations in Europe, Asia, Africa and other regions in the world. In cooperation with the Department of State, FLETC operates two International Law Enforcement Academies in Gabarone, Botswana and San Salvador, El Salvador.

Accreditation: Federal law enforcement accreditation establishes standards and procedures to evaluate training programs and academies used in training Federal law enforcement agents and officers. Accreditation ensures a disciplined and systematic approach to training and is directly linked to the quality, effectiveness and integrity of the training that agents and officers receive. Training programs and course content review is on-going which ensures currency. As organizations seek accreditation, training issues, qualifications of instructors, improved training methods and techniques are raised in priority, resulting in improved training outcome. A total of 2 Law Enforcement training programs received accreditation in FY 2005. There are 20 agencies in the accreditation process of their academy and/or training programs.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT

initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Border Patrol/ICE Training

Strategic Goal(s) & Objective(s): Strategic Goal 2: Detect, deter and mitigate threats to our homeland
Strategic Objective 2.4: Coordinate national and international policy, law enforcement and other actions to prepare for and prevent terrorism

PPA: Law Enforcement Training

Program Increase: Positions 9 FTE 9 Dollars $4,845

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							43	42	$10,638
Program Increase							9	9	4,845
Total Request	**23**	**23**	**$2,568**	**43**	**42**	**$10,638**	**52**	**51**	**$15,483**

Description of Item

FLETC will provide training for an additional 1,500 Border Patrol Agents, 200 ICE Agents, and 620 ICE Detention Personnel in support of the Secure Border Initiative. The requested increase will provide training for another 200 new Border Patrol Agents and 50 ICE Agents as well as finance the conversion of retired annuitant training personnel to full-time status.

Outside of direct FLETC appropriations, the Budget contains a $4.7 million request in CBP and $4.4 million in ICE to reimburse FLETC for remaining training needs. Funding from CBP will be used to train 500 Border Patrol Agents and the funding from ICE will be used to train 620 Detention Personnel.

The following table provides a summary of the training FLETC will provide in FY 2007:

FLETC Training Amounts

Funding Component	Funding Source Name	Dollars ($K)	BP Agents	ICE Special Agents	ICE Detention
Attrition					
FLETC	Base	$ 15,057	700	500	400
FLETC 1/	Base - Current Services Level	$ 877	100		
Subtotal, Attrition		$ 15,934	800	500	400
FY 2007 Secure Border Initaitive					
FLETC	Base - Current Services Level	$ 9,761	800	150	200
FLETC	FY 2007 Enhancement	$ 4,845	200	50	(200)
CBP	CBP Reimbursement	$ 4,691	500		
ICE	ICE Reimbursement	$ 4,444			620
Subtotal, SBI		$ 23,741	1,500	200	620
Total		$ 39,675	2,300	700	1,020

1/ Funding for attrition of the 1,000 BP Agents provided in the FY 06 appropriation

Justification

Instructor requirements are based on direct contact hours of the program and the number of programs to be conducted to support the increased training requirements. Tuition cost area developed based on the direct materials needed to conduct the specific program such as publications, role players, crime scene kits, ammunition, fuel and oil.

Impact on Performance (Relationship of Increase to Strategic Goals)

The program increase provides for the additional deployment of Border Patrol agents and ICE investigators to the field. The Border Patrol new agent training increases from 800 to 1,000 and ICE new investigators training increases from 150 to 200.

Program Increase 2: Practical Application/Counter Terrorism Operations Training Facility (PA/CTOTF)

Strategic Goal(s) & Objective(s): Strategic Goal 2: Detect, deter and mitigate threats to our homeland
Strategic Objective 2.4: Coordinate national and international policy, law enforcement and other actions to prepare for and prevent terrorism

PPA: Law Enforcement Training

Program Increase: Positions 6 FTE 6 Dollars $1,042

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							6	6	$1,042
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**6**	**6**	**$1,042**

Description of Item
The $1.042 million request will provide for training instructors and maintenance for the completed portions of the PA/CTOTF. Six new instructors will develop, coordinate, facilitate, and train in the Intermodal and International training sites. Anticipated training programs include Protective Service Operations, Tactics for Flying Armed, Weapons of Mass Destruction, Hazmat, Treat Response Driving, Urban Tactics, Emergency Response Tactics, High Risk vehicle stops/patrol, and interactive scenario based training.

PA/CTOTF supports new program requirements by providing realistic training facilities for many of the training programs conducted at FLETC for Federal, state, local and international law enforcement agencies. The new training facility consists of a 220 acre site dedicated to providing the "hands-on" training necessary to meet the expanding needs of law enforcement in the post 9/11 environment.

PA/CTOTF is composed of five training environments: international, intermodal, urban, suburban and rural – all designed to replicate both foreign and domestic settings. It will offer a variety of training venues, such as apartments, row houses, neighborhoods, Federal buildings, roadways and modes of public transportation. This facility will correct limitations and deficiencies in providing adequate practical application and counter terrorism training by recreating environments where law enforcement officers are likely to encounter their enemies and increase the probability of survival and aid in their mission of guarding our homeland.

Justification
The PA/CTOTF will significantly improve the FLETC training facilities serving a multitude of Federal, state, local and international law enforcement agencies. These agencies have varying missions and strategic goals, but collectively their purpose is to minimize threats to the American people and their freedom. Through their law enforcement efforts, the agencies detect, deter and

mitigate acts of terrorism and criminal activity, as well as respond to other emergencies. Training at this facility prepares law enforcement agents to detect, deter and mitigate acts by providing situations that they may face in the line of duty.

Impact on Performance (Relationship of Increase to Strategic Goals)
The PA/CTOTF will enable the FLETC and its Partner Organizations to support the Department of Homeland Security's Domestic Counterterrorism mission area and Strategic Goal #2 – Prevention.

Program Increase 3: Accreditation

Strategic Goal(s) & Objective(s): Strategic Goal 2: Detect, deter and mitigate threats to our homeland
Strategic Objective 2.4: Coordinate national and international policy, law enforcement and other actions to prepare for and prevent terrorism

PPA: Law Enforcement Training

Program Increase: Positions 0 FTE 0 Dollars $300

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	$300
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$300**

Description of Item
Funding is for compensation to recipient agencies that receive law enforcement accreditation.

Justification
This program assists law enforcement training agencies in the accreditation of instructors, programs and training academies. Accreditation ensures integrity, professionalism, and accountability of Federal law enforcement training academies and programs. The funding level requested is to partially compensate the cost of accreditation to the recipients receiving law enforcement accreditation.

Impact on Performance (Relationship of Increase to Strategic Goals)
Continuously improve the quality and professionalism of Federal Law Enforcement Training.

V. Exhibits and Other Supporting Materials
A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Law Enforcement Training Center
Justification of Proposed Changes in Appropriation Name
Appropriation Language

For necessary expenses of the Federal Law Enforcement Training Center, including materials and support costs of Federal law enforcement basic training; purchase of not to exceed 117 vehicles for police type use and hire of passenger motor vehicles; expenses for student athletic and related activities; the conduct of and participation in firearms matches and presentation of awards; public awareness and enhancement of community support of law enforcement training; room and board for student interns; a flat monthly reimbursement to employees authorized to use personal mobile phones for official duties; and services as authorized by section 3109 of title 5, United States Code; [$194,000,000] ***$202,310,000*** of which up to [$42,119,000] ***$43,910,000*** for materials and support costs of Federal law enforcement basic training shall remain available until September 30, [2007; and of which] ***2008***; ***of which $300,000 shall remain available until expended for Federal law enforcement agencies participating in training accreditation, to be distributed as determined by the Federal Law Enforcement Training Center for the needs of participating agencies; and of which*** not to exceed $12,000 shall be for official reception and representation expenses: *Provided* That the Center is authorized to obligate funds in anticipation of reimbursements from agencies receiving training sponsored by the Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year ***:Provided further; That notwithstanding any other provision of law, section 1202 of Public Law 107-206 (42 U.S.C. 3771 note) is amending by striking "5 years after the date of enactment of this Act," and inserting "the close of 2009" and by striking "250" and inserting "350".*** *(Department of Homeland Security Appropriations Act, 2006)*

Explanation of Changes:

The proposed language provides FLETC with $300,000 for the compensation of accreditation cost for participating agencies.

The proposed language would continue authority FLETC was provided in FY 2002 (via Section 1202 of Public Law 107-206, 116 Stat. 820) to hire retired Federal employees until 2009. In response to the increased need posed by the Secure Border Initiative, the number of retired annuitants that could be hired under this provision would increase from 250 to 350. FLETC has discovered that rehired annuitants provide a high degree or relevant experience that cannot be duplicated. Their years of experience as law enforcement officers provide FLETC with an immediate return on its investment in terms of credibility and knowledge. In addition, this legislation gives FLETC the flexibility to hire and lay off instructors as the student workload fluctuates. Without this authority, FLETC would be limited in its ability to both hire and lay off workers in a timely manner. The extensive lead time and expense of hiring and reducing the size of the instructional cadre, following the normal regulatory authority, would have an adverse impact on FLETC's ability to meet the changing workload associated with the training needs of 82 participating organizations at four different training sites.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**973**	**949**	**$167,518**
2006 Revised Enacted	**1,026**	**1,001**	**192,060**
Adjustments-to-Base			
Increases			
Annualization of prior year part year funding	---	---	493
2007 pay increase	---	---	1,917
Non-pay inflation excluding GSA Rent	---	---	1,653
Total Increases	---	---	4,063
Total Adjustments-to-Base	---	---	**4,063**
2007 Current Services	**1,026**	**1,001**	**196,123**
Program Changes			
Program Increases/(Decreases)			
Border Patrol Agent/ICE Investigator Training	9	9	4,845
Accreditation	---	---	300
Practical Application/Counter Terrorism Operations Training Facility	6	6	1,042
Total Program Changes	**15**	**15**	**6,187**
2007 Request	**1,041**	**1,016**	**202,310**
2006 to 2007 Total Change	**15**	**15**	**10,250**

C. Summary of Requirements

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	973	959	$167,518
2006 Revised Enacted	1,026	1,001	192,060
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	4,063
Total Adjustments-to-Base	---	---	4,063
2007 Current Services	1,026	1,001	196,123
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	15	15	6,187
2007 Total Request	1,041	1,016	202,310
2006 to 2007 Total Change	15	15	10,250

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Law Enforcement Training	1,017	992	190,704	2	2	4,429	15	15	$ 5,887	1,034	1,009	$201,020	17	17	$10,316
2 Accreditation	9	9	1,356	(2)	(2)	(366)	---	---	300	7	7	1,290	(2)	(2)	(66)
Total	1,026	1,001	192,060	---	---	4,063	15	15	$ 6,187	1,041	1,016	$202,310	15	15	$10,250

Note:

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D. Summary of Reimbursable Resources

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Air Force Office of Special Investigations	5	5	$2,689	11	11	$3,030	11	11	$3,030	---	---	---
Alcohol, Tobacco, Firearms and Explosives	7	7	$2,995	9	9	$2,490	9	9	$2,490	---	---	---
Bureau of Indian Affairs	4	4	$1,624	3	3	$2,158	3	3	$2,158	---	---	---
Bureau of Prisons	---	---	$1,587	---	---	$2,998	---	---	$2,998	---	---	---
Customs & Border Protection	---	---	$7,286	---	---	$9,303	---	---	$9,303	---	---	---
Customs & Border Protection Border Patrol	26	25	$8,133	55	54	$12,135	71	70	$16,826	16	16	4,691
Citizenship and Immigration Services	---	---	$940	1	1	$4,446	1	1	$4,446	---	---	---
Federal Air Marshal Service	6	6	$648	---	---	$1,816	---	---	$1,816	---	---	---
Federal Protective Service	2	2	$635	3	3	$1,317	3	3	$1,317	---	---	---
Immigration and Customs Enforcement	---	---	$3,100	4	4	$9,156	19	19	$13,600	15	15	4,444
Internal Revenue Service	6	6	$2,329	3	3	$4,848	3	3	$4,848	---	---	---
Naval Criminal Investigative Service	1	1	$1,854	---	---	$2,144	---	---	$2,144	---	---	---
Transportation Security Administration	34	33	$4,402	41	40	$3,003	41	40	$3,003	---	---	---
U.S. Coast Guard	1	1	$2,000	3	3	$4,207	3	3	$4,207	---	---	---
U.S. Marshals Service	---	---	$1,036	1	1	$1,642	1	1	$1,642	---	---	---
U.S. Secret Service	---	---	$1,595	7	7	$1,277	7	7	$1,277	---	---	---
Various Others Under $1,000	41	40	17,059	114	111	14,805	114	111	14,805	---	---	---
Total Budgetary Resources	**133**	**130**	**59,912**	**255**	**250**	**80,775**	**286**	**281**	**89,910**	**31**	**31**	**9,135**

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Law Enforcement Training	133	130	$59,912	255	250	$80,775	286	281	$89,910	31	31	9,135
Total Obligations	**133**	**130**	**59,912**	**255**	**250**	**80,775**	**286**	**281**	**89,910**	**31**	**31**	**9,135**

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E. Summary of Requirements by Object Class

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$62,290	$63,910	$66,741	$2,831
11.3 Other than full-time permanent	3,016	3,094	3,175	81
11.5 Other Personnel Compensation	3,969	4,072	4,180	108
11.8 Special Service Pay	125	128	130	2
12.1 Benefits	21,984	22,556	23,680	1,124
13.0 Benefits - former	10	10	10	—
Total, Personnel Comp. & Benefits	**$91,394**	**$93,770**	**$97,916**	**$4,146**
Other Object Classes:				
21.0 Travel	5,094	5,442	5,550	108
22.0 Transportation of things	868	1,201	1,278	77
23.2 Other rent	90	92	94	2
23.3 Communications, utilities, & other misc. charges	6,731	6,866	7,250	384
24.0 Printing and reproduction	787	4,281	4,367	86
25.1 Advisory and assistance services	3,730	3,805	3,880	75
25.2 Other services	1,741	9,821	10,000	179
25.4 Operation & maintenance of facilities	28,053	28,614	29,390	776
25.6 Medical care	2,378	2,426	2,475	49
25.7 Operation and maintenance of equipment	3,911	4,551	4,640	89
25.8 Subsistence and support of persons	238	243	248	5
26.0 Supplies and materials	8,513	31,168	31,700	532
31.0 Equipment	7,990	8,150	8,295	145
32.0 Land & structures	5,975	6,095	6,200	105
42.0 Indemnity	24	25	26	1
43.0 Interest & dividends	1	1	1	—
Total, Other Object Classes	**76,124**	**$112,781**	**$115,394**	**$2,613**
Total, Direct Obligations	**$167,518**	**$206,551**	**$213,310**	**$6,759**
Unobligated balance, start of year	(25,301)	(39,491)	(25,000)	
Unobligated balance, end of year	39,491	25,000	14,000	
Recoveries of prior year obligations	(1,700)	---		
Total requirements	**$180,008**	**$192,060**	**$202,310**	

F. Permanent Positions by Grade

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	7	7	7	---
GS-15	61	61	61	---
GS-14	109	109	109	---
GS-13	225	245	247	2
GS-12	259	292	305	13
GS-11	98	98	98	---
GS-9	90	90	90	---
GS-8	18	18	18	---
GS-7	55	55	55	---
GS-6	4	4	4	---
GS-5	2	2	2	---
Ungraded Positions	45	45	45	---
Total Permanent Positions	**973**	**1,026**	**1,041**	**15**
Unfilled Positions EOY	24	25	25	---
Total Perm. Employment EOY	949	1,001	1,016	15
FTE	**949**	**1,001**	**1,016**	**15**
Headquarters	795	836	845	9
U.S. Field	177	188	194	6
Foreign Field	1	2	2	---
Total Permanent Positions	**973**	**1,026**	**1,041**	**15**
Average ES Salary	$ 153,135	$ 156,121	$ 159,165	$ 3,044
Average GS Salary	$ 72,543	$ 73,958	$ 75,400	$ 1,442
Average GS Grade	11.79	11.79	11.79	---

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Federal Law Enforcement Training Center
Salaries & Expenses
PPA
Funding Schedule
(Dollars in Thousands)

	PPA: Salaries & Expenses	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$62,290	$63,910	$66,741	$2,831
11.3	Other than perm	3,016	3,094	3,175	81
11.5	Other per comp	3,969	4,072	4,180	108
11.8	Spec Srvc Pay	125	128	130	2
12.1	Benefits	21,984	22,556	23,680	1,124
13.0	Benefits-former	10	10	10	---
21.0	Travel	5,094	5,442	5,550	108
22.0	Transportation of things	868	1,201	1,278	77
23.2	Other rent	90	92	94	2
23.3	Communication, Utilities, and misc charges	6,731	6,866	7,250	384
24.0	Printing	787	4,281	4,367	86
25.1	Advisory & Assistance Services	3,730	3,805	3,880	75
25.2	Other Services	1,741	9,821	10,000	179
25.4	Operation & maintenance of facilities	28,053	28,614	29,390	776
25.6	Medical care	2,378	2,426	2,475	49
25.7	Operation & maintenance of equipment	3,911	4,551	4,640	89
25.8	Subsistence & Support of persons	238	243	248	5
26.0	Supplies & materials	8,513	31,168	31,700	532
31.0	Equipment	7,990	8,150	8,295	145
32.0	Land & Structures	5,975	6,095	6,200	105
42.0	Indemnity	24	25	26	1
43.0	Interest & dividends	1	1	1	---
	Total Obligations, Salaries & Expenses	**$167,518**	**$206,551**	**$213,310**	**$6,759**
	Unobligated balance, start of year	(25,301)	(39,491)	(25,000)	
	Unobligated balance, end of year	39,491	25,000	14,000	
	Recoveries of prior year obligations	(1,700)			
	Total Requirements, Salaries & Expenses	**$180,008**	**$192,060**	**$202,310**	
Full Time Equivalents		949	1,001	1,016	15

Mission Statement

The Federal Law Enforcement Training Center (FLETC) is the leader in career-long law enforcement training. We prepare law enforcement professionals to fulfill their responsibilities safely and proficiently ensuring that training is accomplished in the most cost-effective manner.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$91,394**	**$93,770**	**$97,916**	**$4,146**

Salaries and Benefits includes costs for 1,016 FTEs. The FY 2007 request includes an increase of $1,917,000 for the proposed January 2007 2.6 percent increase in personnel compensation and a $2,229,000 program increase for 15 additional FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$5,094**	**$5,442**	**$5,550**	**$108**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increases of $108,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$868**	**$1,201**	**$1,278**	**$77**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $24,000 in non-pay inflation and $53,000 in program increases.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$90**	**$92**	**$94**	**$2**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $2,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$6,731**	**$6,866**	**$7,250**	**$384**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $134,000 in non-pay inflation and $250,000 in program increases.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$787**	**$4,281**	**$4,367**	**$86**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes an increase of $86,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$3,730**	**$3,805**	**$3,880**	**$75**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $75,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,741**	**$9,821**	**$10,000**	**$179**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $179,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$28,053**	**$28,614**	**$29,390**	**$776**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $533,000 in non-pay inflaton and a program increase of $243,000.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$2,378**	**$2,426**	**$2,475**	**$49**

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. The FY 2007 request includes an increase of $49,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$3,911**	**$4,551**	**$4,640**	**$89**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $89,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$238**	**$243**	**$248**	**$5**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request includes an increase of $5,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$8,513**	**$31,168**	**$31,700**	**$532**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $532,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$7,990**	**$8,150**	**$8,295**	**$145**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $145,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$5,975**	**$6,095**	**$6,200**	**$105**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increases of $105,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$24**	**$25**	**$26**	**$1**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Interest & Dividends	**$1**	**$1**	**$1**	**$0**

Interest and dividends include earnings to owners of trusts and other funds and interest payments under lease-payment contracts for the construction of buildings

I. Schedule of Working Capital Fund

Department of Homeland Security
Federal Law Enforcement Training Center
Salaries & Expenses
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	Increase / Decrease for FY 2007
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Law Enforcement Training	1,097,250	907,506	1,100,101	192,595
Total Working Capital Fund	**1,087,706**	**907,506**	**1,100,101**	**192,595**

Department of Homeland Security

Federal Law Enforcement Training Center

Acquisition, Construction, Improvements and Related Expenses

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses (ACI&RE)

I. Appropriation Overview

A. Mission Statement for ACI&RE:

We are the leader in career-long law enforcement training. We prepare law enforcement professionals to fulfill their responsibilities safely and proficiently, ensuring that training is accomplished in the most cost-effective manner.

B. Budget Activities:

Federal, State and Local Training

FLETC serves as an interagency law enforcement training organization for 82 Federal agencies with personnel located throughout the United States and its territories. The Center also provides services to State, local, and international law enforcement agencies, and on a space-available basis, other Federal agencies with related law enforcement missions. FLETC provides a limited amount of export training conducted at other locations. This delivery method is used when the programs being conducted do not require the use of certain specialized facilities and when a geographical concentration of personnel can be identified.

Consolidation of law enforcement training permits the Federal Government to emphasize training excellence and cost-effectiveness. Professional instruction and practical application provide students with the skills and knowledge necessary to meet the demanding challenges of a Federal law enforcement career. Personnel learn not only the responsibilities of a law enforcement officer, but through interaction with students from many other agencies, they also become acquainted with the missions and duties of their colleagues. This interaction provides the foundation for a more cooperative Federal law enforcement effort.

FLETC's Partner Organizations have considerable input regarding training issues and operational and functional aspects of the Center. Representatives from these agencies take part in regular curriculum review and development conferences, and also participate in the development of FLETC policies and directives. This relationship is characteristic of a "true partnership," responsive to the training mission.

Accreditation

Training policy, programs, and standards are established by an interagency Board of Directors, comprised of eight members. They occupy positions at the Under Secretary, Assistant Secretary, or equivalent level and represent all agencies which have organizations participating in activities at FLETC. The establishment and publication of professionally developed, recognized, and maintained training standards for Federal law enforcement ensures a disciplined and systematic approach to Federal law enforcement training.

FLETC's goals include:

- **Provide training that develops the skills and knowledge to perform law enforcement functions safely, effectively and professionally.**
    - Establish and maintain robust processes to examine law enforcement trends and emerging issues that affect training content, development and delivery.
    - Ensure training content addresses validated knowledge, skills and abilities, is conducted in accordance with professional standards and is presented with sound adult learning education and training practices.
    - Enhance the readiness of Federal law enforcement agents and officers to respond effectively to terrorist events.
        - Expand anti and counter terrorism training programs
        - Enhance intelligence training programs

- **Significantly expand access to and availability of quality law enforcement training.**
    - Maintain and "use" the FLETC Master Plan as a living planning tool—baseline for budget and training capacity.
    - Acquire alternative resources – using alternative funding sources such as asset forfeiture funds and partner organization supplements.
    - Develop and deliver more Intelligence training programs by FY 2006.
    - Design and construct counter terrorism facilities.

- **Develop alternative delivery methods**
    - Invest in simulation technology to augment existing training methods to provide training not available using traditional training methods and facilities.

C. Budget Request Summary:

FLETC requests $42,246,000. The total adjustments-to-base is a reduction of $46,288,000, derived from non-recur of one-time facility construction projects provided last year. A program increase of $1,000,000 is provided for construction of the Practical Application/Counter Terrorism Operations Training Facility.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Construction	---	$60,050	---	$87,474	---	$42,246		-$45,228	---	1,000	---	-$46,228
Subtotal, Enacted Appropriations and Budget Estimates	---	**$60,050**	---	**$87,474**	---	**$42,246**	---	**($45,228)**	---	**$1,000**	---	**($46,228)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	---	**$60,050**	---	**$87,474**	---	**$42,246**	---	**($45,228)**	---	**$1,000**	---	**($46,228)**

III. Current Services Program Description by PPA

Department of Homeland Security
Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses
Program Performance Justification
(Dollars in thousands)

PPA: ACQUISITION, CONSTRUCTION, IMPROVEMENTS & RELATED EXPENSES

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$60,050**
2006 Enacted	**0**	**0**	**$87,474**
2007 Adjustments-to-Base	...	0	($46,228)
2007 Current Services	**0**	**0**	**$41,246**
2007 Program Change	0	0	$1,000
2007 Request	**0**	**0**	**$42,246**
Total Change 2006-2007	0	0	($45,228)

FLETC requests $42,246M. This is a decrease of $45,228M from FY 2006 because of the non-recur of one-time construction projects offset by a small increase in non-pay inflation. A program increase of $1M is requested outside of base funding for partial construction of the Practical Application/Counter Terrorism Operations Training Facility.

CURRENT SERVICES PROGRAM DESCRIPTION:

FLETC provides the necessary facilities for conducting recruit, advanced, specialized and requalification training for Federal law enforcement personnel and to state, local and foreign law enforcement personnel on a space-available basis. Construction and improvement provides the acquisition and related costs for the expansion and maintenance of the Federal Law Enforcement Training Center. This includes funding for the Facilities Master Plan, Minor Construction and Maintenance, Environmental Compliance and Communications Systems. The Master Plan provides the long range blueprint for renovations and expansion of the Facilities to meet training requirements of the over 80 Partner Organizations. Minor Construction and Maintenance provides alterations and maintenance for approximately 300 buildings at four locations – Glynco, Georgia; Artesia, New Mexico; Charleston, South Carolina; and Cheltenham, Maryland. Environmental compliance is to ensure compliance with the EPA and State environmental laws and regulations. The Communications Systems maintains and repair/replaces the fiber optics telecommunications cable system

IV. Program Justification of Changes

Department of Homeland Security
Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Practical Application/Counter Terrorism Operations Training Facility (PA/CTOTF)

Strategic Goal(s) & Objective(s): Strategic Goal 2: Detect, deter and mitigate threats to our homeland
Strategic Objective 2.4: Coordinate national and international policy, law enforcement and other actions to prepare for and prevent terrorism

PPA: Law Enforcement Training

Program Increase: Positions 0 FTE 0 Dollars $1,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	$8,108
Program Increase							0	0	$1,000
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$9,108**

Description of Item
PA/CTOTF supports new program requirements by providing realistic training facilities for many of the training programs conducted at FLETC for Federal, state, local and international law enforcement agencies. The new training facility consists of a 220 acre site dedicated to providing the "hands-on" training necessary to meet the expanding needs of law enforcement in the post 9/11 environment.

PA/CTOTF is composed of five training environments: international, intermodal, urban, suburban and rural – all designed to replicate both foreign and domestic settings. It will offer a variety of training venues, such as apartments, row houses, neighborhoods, Federal buildings, roadways and modes of public transportation.

By reprioritizing existing ACI&RE requirements, $8M of the $9M required for construction of the PA/CTOTF annually in FY 2007 through FY 2011 is within base resources. The additional $1M is a requested program increase to cover the balance of needs. Annual funding of $9M provides for the phased construction of the PA/CTOTF with each phase consisting of related but completely self-sufficient and useable facilities.

Justification
PA/CTOTF will significantly improve FLETC training facilities serving a multitude of Federal, state, local and international law enforcement agencies. These agencies have varying missions and strategic goals, but collectively their purpose is to minimize threats to the American people and their freedom. Through their law enforcement efforts, the agencies detect, deter and mitigate acts of terrorism and criminal activity, as well as respond to other emergencies. This facility prepares law enforcement agents to detect, deter and mitigate acts by providing facilities that enable them to prepare for situations that they may face in the line of duty.

An enhanced training facility, with hands-on training environments, is essential to successfully carrying out FLETC's mission. The facility will improve FLETC's ability to sufficiently prepare law enforcement trainees and support FLETC's ability to economically meet increasing demands for law enforcement training.

Impact on Performance (Relationship of Increase to Strategic Goals)
The PA/CTOTF will enable FLETC and its Partner Organizations to support the Department of Homeland Security's Domestic Counterterrorism mission area and Strategic Goal #2 – Prevention.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Law Enforcement Training Center
Justification of Proposed Changes in Appropriation Name
Appropriation Language

For acquisition of necessary additional real property and facilities, construction, and ongoing maintenance, facility improvements, and related expenses of the Federal Law Enforcement Training Center, [$88,358,000] ***$42,246,000***, to remain available until expended: *Provided,* That the Center is authorized to accept reimbursement to this appropriation from government agencies requesting the construction of special use facilities. *(Department of Homeland Security Appropriations Act, 2006)*

Explanation of Changes:

No changes requested.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	**$60,050**
2006 Revised Enacted	---	---	**87,474**
Adjustments-to-Base			
Increases			
Non-pay inflation excluding GSA Rent	---	---	947
Total Increases	---	---	947
Decreases			
Termination of one-time costs	---	---	(47,175)
Total Decreases	---	---	(47,175)
Total Adjustments-to-Base	---	---	**(46,228)**
2007 Current Services	---	---	**41,246**
Program Changes			
Program Increases/(Decreases)			
Practical Applications/Counter Terrorism Operations Training Facility	---	---	1,000
Total Program Changes	---	---	**1,000**
2007 Request	---	---	**42,246**
2006 to 2007 Total Change	---	---	**(45,228)**

C. Summary of Requirements

Department of Homeland Security
Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	$60,050
2006 Revised Enacted	---	---	87,474
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	947
Decreases	---	---	(47,175)
Total Adjustments-to-Base	---	---	(46,228)
2007 Current Services	---	---	41,246
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	1,000
2007 Total Request	---	---	42,246
2006 to 2007 Total Change	---	---	(45,228)

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Construction	---	---	$87,474	---	---	($46,228)	---	---	$1,000	---	---	$42,246	---	---	($45,228)
Total	---	---	$87,474	---	---	($46,228)	---	---	$1,000	---	---	$42,246	---	---	($45,228)

D. Summary of Reimbursable Resources

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
DHS Science & Technology Directorate	---	---	$14,150	---	---	$116,000	---	---	$80,000	---	---	(80,000)
Immigration & Customs Enforcement			$7,200									
Treasury Asset Forfeiture			$2,000									
U.S. Capitol Police			$1,600	---	---	$16,000	---	---	---	---	---	(16,000)
Naval Criminal Investigative Service			$1,200									
DHS U.S. VISIT			$115									
Alcohol, Tobacco, Firearms and Explosives			$100									
Health Facility Planning Agency			$90									
U.S. Army Ft. Detrick			$60									
Various Other Partner Organization Requirements			$60	---	---	$20,000	---	---	$20,000	---	---	---
Total Budgetary Resources	---	---	26,575	---	---	152,000	---	---	100,000	---	---	(96,000)

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Construction	---	---	$26,575	---	---	$152,000	---	---	$100,000	---	---	(52,000)
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	26,575	---	---	152,000	---	---	100,000	---	---	(52,000)

Explanation of Increase/Decrease.
PPA 1: The National Bio Defense Analysis & Construction Countermeasures Center was a one time project for the DHS Science & Technology Directories

E. Summary of Requirements by Object Class

Department of Homeland Security
Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
21.0 Travel	55	56	57	1
23.1 GSA rent	210	214	218	4
23.2 Other rent	137	140	143	3
25.1 Advisory and assistance services	2	2	3	1
25.2 Other services	574	586	598	12
25.3 Purchases of goods & svcs. from Gov't accounts	297	303	309	6
25.4 Operation & maintenance of facilities	1,652	1,685	1,719	34
25.7 Operation and maintenance of equipment	20	20	21	1
26.0 Supplies and materials	122	125	128	3
31.0 Equipment	1,129	1,152	1,175	23
32.0 Land & structures	55,852	102,260	40,875	(61,385)
Total, Other Object Classes	**60,050**	**$106,543**	**$45,246**	**($61,297)**
Total, Direct Obligations	**$60,050**	**$106,543**	**$45,246**	**($61,297)**
Unobligated balance, start of year	(29,228)	(22,069)	(3,000)	
Unobligated balance, end of year	22,069	3,000	---	
Recoveries of prior year obligations	(6,092)	---	---	
Total requirements	**$46,799**	**$87,474**	**$42,246**	

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing

Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
Practical Application/ Counterterrorism Operations Training Facility	$9,108	$0	$9,108	Construction and Improvement	Law Enforcement Training
Construct 50 Yard Indoor Firearms Range	$1,000	$0	$1,000	Construction and Improvement	Law Enforcement Training
Construct Language Arts Building	$8,900	$0	$8,900	Construction and Improvement	Law Enforcement Training
Total Non-IT Total Non- IT investments $5 million or more	$19,008	$0	$19,008		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$19,008	$0	$19,008		
Total of IT Investments	$0	$0	$0		
Total all IT and Non-IT Investments	$19,008	$0	$19,008		

Practical Application/Counterterrorism Operations Training Facility

1. Project Description, Justification and Scope

The Practical Application/Counterterrorism Operations Training Facility (PA/CTOTF) will support new training requirements by providing realistic training facilities for many of the training programs conducted at FLETC by Federal, state, local and international law enforcement agencies. The new training facility will consist of a 220 acre site dedicated to providing the "hands-on" training necessary to meet the expanding needs of law enforcement in the post-9/11 environment.

FLETC's partnership with 82 Partner Organizations creates an opportunity for a consolidated training environment in which multiple agencies use a centralized location to meet their various training needs. This allows the government to benefit from economies of scale advantages available only from a consolidated law enforcement training facility. FLETC promotes cost-effective training, and will continue this trend, by allowing the government additional opportunities for cost reduction resulting from providing PA/CTOTF capabilities in a single location.

PA/CTOTF will allow trainees to experience the actual environments and confrontations that they will face in the field. The facility will be composed of five training environments: international, intermodal, urban, suburban and rural - all designed to replicate both foreign and domestic settings. It will offer a variety of training venues, such as apartments, row houses, neighborhoods, Federal buildings, roadways and modes of public transportation. Scenario and reality based training is one of the most effective tools available and must be supported by realistic facilities. By creating realistic environments, trainees can learn by actually performing tasks similar to those they will encounter when administering their law enforcement duties.

2. Significant Changes

This is the initial Budget Request for PA/CTOTF. We are requesting $9M in each of the next five years to support construction of this 220 acre site dedicated to providing the "hands-on" training necessary to meet the expanding needs of law enforcement in the post 9/11 environment. The PA/CTOTF is composed of five severable training environments: international, intermodal, urban, suburban and rural – all designed to replicate both foreign and domestic settings.

3. Project Schedule

Projects	Fiscal Quarter and Year				Total Estimated Completion Cost ($000)	Total Project Cost ($000)
	Work Initiated	Work Completed	Physical Construction Start	Physical Construction Complete		
FY 2007 Budget Request	Apr 2004	Nov 2012	Feb 2005	Nov 2012	$9,108	
Future Budget Requests					$37,974	$47,082
Total					$47,082	$47,082

Note: Total Project Cost of $47,082 does not include $9,334 prior year cost associated with this project.

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Future	Total
Appropriation						
Obligation (actual and planned)	$3,189	$6,145	$0	$9,108	$37,974	$56,416
Expenditure (actual and planned)	$3,189	$937				
Facility cost:						
Total Project Expenditures	$3,189	$937				$4,126

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

	Current Estimate	Previous Estimate
Survey and Design:	$2,164	N/A
Construction:		
Improvement to land	$8,097	N/A
Buildings	$40,323	N/A
Contingencies:		
Construction Phase	$3,750	
Other Costs: (Maintenance)	$2,082	N/A
Project Total	$56,416	N/A

Note: The above represents acquisition cost (including contributions from DoD/AFOSI and Asset Forfeiture) and ACI&RE maintenance cost.

6. Method of Performance

The Integrated Project Team (IPT) uses earned value techniques and a system driven by Microsoft Project to track planned vs. actual cost, schedule, and performance. For the existing contracts, contractors are required to prepare a computerized critical path method (CPM) schedule, often using Gantt charts that include proposed engineering, procurement, construction and testing activities. The CPM schedule covers the time from Contract Award/Notice to Proceed to the Contract completion date. The baseline CPM schedule incorporates labor, equipment and quantity resource data as well as cost information. It is used by the contractor for planning, organizing, and directing the work; reporting progress; and requesting payment for work accomplished. The Contracts Management Office (CMO) works with contractors to update the schedule monthly, or weekly in some cases.

The firm-fixed price nature of PA/CTOTF contracts also serves to manage contractor performance. After 65% of the design stage, the construction manager (CMc) prepares a proposal for the unbid

portion of the uncompleted documents, and the Guaranteed Maximum Price (GMP) is negotiated. The CMc agrees to pay for costs exceeding the GMP and are not a result of changes in the contract documents. This helps to minimize schedule/budget variances.

The IPT will transition to using an ANSI/EIA Standard 748 system upon DHS's selection of an Earned Value Management System (EVMS) to be used consistently throughout the agency. The EVMS will track budgeted actual costs (BAC), estimated actual costs (EAC), budgeted cost for work scheduled (BCWS), budgeted cost for work performed (BCWP), actual cost of work performed (ACWP), schedule variance (SV) and cost variance (CV).

PERFORMANCE GOALS AND MEASURES (Exhibit 300, Section 1.C)

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2007	DHS: 2.4 Ensure national and international policy, law enforcement and other actions to prepare for and prevent terrorism are coordinated. FLETC: 1 Provide training that develops skills and knowledge to perform law enforcement functions safely, effectively and professionally.	The FY 2004 baseline for the percentage of federal supervisors that rate their FLETC basic training graduate's preparedness as good or excellent was 73%.	Results from a continuous validation survey that will be completed by federal supervisors 8-12 months after graduation will increase by 1% by 2007.	TBD	74%	TBD
2007	DHS: 2.4 Ensure national and international policy, law enforcement and other actions to prepare for and prevent terrorism are coordinated FLETC: 2 Significantly expand access to and availability of quality law enforcement training.	FLETC expects 2005 results from a Student Quality of Training Survey (SQTS) to show that 64% of students rate the quality of FLETC law enforcement training as excellent or outstanding upon graduation.	Results from a Student Quality Training Survey that will be completed by students after course completion will increase by 3% by 2007.	TBD	67%	TBD

2007	DHS: 2.4 Ensure national and international policy, law enforcement and other actions to prepare for and prevent terrorism are coordinated FLETC: 2 Significantly expand access to and availability of quality law enforcement training.	To be determined: There is currently no advanced training conducted at the PA/CTOTF. However, the enrollment for the first year of training is expected to be 3,500 students.	FLETC will train 3,500 students in advanced training programs at the PA/CTOTF.	TBD	3,500	TBD
2007	DHS: 2.4 Ensure national and international policy, law enforcement and other actions to prepare for and prevent terrorism are coordinated FLETC: 2 Significantly expand access to and availability of quality law enforcement training.	FLETC expected 2005 results from the Partner Organization Satisfaction Survey, completed by Partner Organization training leads, to show 80% of Partner Organizations agree or strongly agree their agents and officers are being taught the latest techniques, laws and regulations.	FLETC expects for 82% of Partner Organizations to express a high rate of overall satisfaction on the Partner Organization Satisfaction Survey.	TBD	82%	TBD

7. Related Annual Funding Requirements
(Dollars in Thousands)

	FY 2007	
	Current Estimate	Previous Estimate
Maintenance/Repair Costs	$108	N/A
Operational Costs	$184	N/A
Total	$292	N/A

8. Budget Allocation to Programs

Program	Allocated Budget ($000)	
	FY 2006	FY 2007
PA/CTOTF Project		$9,108
Total		$9,108

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

Not applicable at this time.

Construct 50 Yard Indoor Firearms Range

1. Project Description, Justification and Scope

The Charleston firearms range will consist of an environmentally controlled 50 yard range with 25 firing points. The size of the training classes that use the range is 24 students. Ranges with 25 firing positions provide flexibility for including an additional student, when required, and for occasional equipment outage. This project resolves two current problems with the firearms ranges available for Charleston training. The first problem is that the existing firearms ranges are technically inadequate. They are outdoor ranges that do not provide the capability to control the environment that the students are subjected to. For example, the training regimen requires low-light condition for some aspects of firearms training, and these environments can only be achieved for the entire length of a training session with an indoor range. The second problem is that the current firearms ranges are geographically remote from the training facility. The additional transportation time required for use of existing ranges results in significant waste of student time, and Partner Organizations have requested FLETC action to establish adequate firearms training ranges located aboard the Charleston campus.

2. Significant Changes

This is the initial budget request for the Charleston indoor firearms range and will resolve the technical and geographic inadequacies of our current outdoor firearms range.

3. Project Schedule

Projects	Fiscal Quarter and Year				Total Estimated Completion Cost ($000)	Total Project Cost ($000)
	Work Initiated	Work Completed	Physical Construction Start	Physical Construction Complete		
FY 2007 Budget Request			Oct 2007	Oct 2009	$1,000	
Future Budget Requests					$10,010	$11,010
Total					$11,010	$11,010

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Future	Total
Appropriation						
Obligation (actual and planned)				$1,000	$10,010	$11,010
Expenditure (actual and planned)						
Total Project Expenditures						

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

	Current Estimate	Previous Estimate
Survey and Design:	$1,000	N/A
Construction:		
Improvement to land		
Buildings		
Utilities		
Standard Equipment		
Inspection, testing, checkout and acceptance		
Project Management		
Contingencies:		
Design Phase		
Construction Phase		
Other Costs: (Maintenance)		
Project Total	$1,000	N/A

6. Method of Performance
Using standard project management procedures and oversight by the Chief of Design/Construction.

7. Related Annual Funding Requirements
(Dollars in Thousands)

	FY 2007	
	Current Estimate	Previous Estimate
None in FY 2007		
Total	$0	N/A

8. Budget Allocation to Programs

Program	Allocated Budget ($000)	
	FY 2006	FY 2007
50 Yard Firearms Range		$1,000
Total		

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

Not applicable at this time.

Construct Language Arts Building

1. Project Description, Justification and Scope

The additional border patrol requirements results in workload exceeding the Artesia current language facility capacity. The existing language arts facility consists of rooms within the classroom building and trailers which were provided as temporary facilities for language requirements until a permanent facility could be provided. The language arts building replaces these temporary facilities and provides right-sized capacity for long term workload. The facility will house six language laboratories, two 48-student classrooms, 60 break-out rooms, and a common area within a 45,000 square foot structure. The facility will employ the latest technology to prepare Border Patrol agents for their law enforcement mission on our nation's borders.

2. Significant Changes

This is the initial budget request for the Artesia Language Arts Building. This facility is necessary to support the additional border patrol training.

3. Project Schedule

	Fiscal Quarter and Year				Total Estimated Completion Cost ($000)	Total Project Cost ($000)
Projects	Work Initiated	Work Completed	Physical Construction Start	Physical Construction Complete		
FY 2007 Budget Reques			Oct 2006	Feb 2008	$8,900	
Future Budget Requests					$1,619	$10,519
Total					$10,519	$10,519

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Future	Total
Appropriation						
Obligation (actual and planned)				$8,900	$1,619	$11,519
Expenditure (actual and planned)						
Total Project Expenditures						

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

	Current Estimate	Previous Estimate
Survey and Design:		
Construction:		
Improvement to land	$178	$178
Buildings	$6,230	$6,230
Utilities	$267	$267
Standard Equipment	$890	$890
Inspection, testing, checkout and acceptance	$89	$89
Project Management	$89	$89
Contingencies:		
Design Phase	$89	$89
Construction Phase	$445	$445
Other Costs: (Transportation)	$623	$623
Project Total	$8,900	$8,900

6. Method of Performance
Using standard project management procedures and oversight by the Chief of Design/Construction.

7. Related Annual Funding Requirements
(Dollars in Thousands)

	FY 2007	
	Current Estimate	Previous Estimate
None in FY 2007		
Total	$0	N/A

8. Budget Allocation to Programs

Program	Allocated Budget ($000)	
	FY 2006	FY 2007
Language Arts Building		$8,900
Total		

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

Not applicable at this time.

H. PPA Budget Justifications

Department of Homeland Security
Federal Law Enforcement Training Center
Acquisition, Construction, Improvements and Related Expenses
Construction
Funding Schedule
(Dollars in Thousands)

PPA: Construction		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
21.0	Travel	55	56	57	1
23.1	GSA rent	210	214	218	4
23.2	Other rent	137	140	143	3
25.1	Advisory & Assistance Services	2	2	3	1
25.2	Other Services	574	586	598	12
25.3	Purchase from Govt. Accts.	297	303	309	6
25.4	Operation & maintenance of facilities	1,652	1,685	1,719	34
25.7	Operation & maintenance of equipment	20	20	21	1
26.0	Supplies & materials	122	125	128	3
31.0	Equipment	1,129	1,152	1,175	23
32.0	Land & Structures	55,852	102,260	40,875	(61,385)
	Total Obligations, Construction	**$60,050**	**$106,543**	**$45,246**	**($61,297)**
	Unobligated balance, start of year	(29,228)	(22,069)	(3,000)	
	Unobligated balance, end of year	22,069	3,000		
	Recovery of prior year obligations	(6,092)			
	Total Resources, Construction	**$46,799**	**$87,474**	**$42,246**	
Full Time Equivalents		---	---	---	---

Mission Statement

The Federal Law Enforcement Training Center (FLETC) is the leader in career-long law enforcement training. We prepare law enforcement professionals to fulfill their responsibilities safely and proficiently, ensuring that training is accomplished in the most cost-effective manne.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$55**	**$56**	**$57**	**$1**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$210**	**$214**	**$218**	**$4**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $4,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$137**	**$140**	**$143**	**$3**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $3,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$2**	**$2**	**$3**	**$1**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$574**	**$586**	**$598**	**$12**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $12,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$297**	**$303**	**$309**	**$6**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $6,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$1,652**	**$1,685**	**$1,719**	**$34**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $34,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$20**	**$20**	**$21**	**$1**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$122**	**$125**	**$128**	**$3**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $3,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,129**	**$1,152**	**$1,175**	**$23**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $23,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$55,852**	**$102,260**	**$40,875**	**($61,385)**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes increases for non-pay inflation and $1,547,000 in program increases. There is also a decrease of $47,722,000 for non-recurrals and a decrease of $15,443,000 for reduction of projects executed in FY 2006 with prior year funding.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

Federal Law Enforcement Training Center

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

Federal Law Enforcement Training Center (FLETC)

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A. Mission and Description of the Federal Law Enforcement Training Center

The Federal Law Enforcement Training Center's (FLETC) mission is to train those who protect our homeland. FLETC is the Federal government's leader for and provider of world-class law enforcement training. FLETC prepares new and experienced law enforcement professionals to fulfill their responsibilities in a safe manner and at the highest level of proficiency. Training consists of all phases of law enforcement instruction, from firearms and high-speed vehicle operations, to legal case instructions and defendant interview techniques. Through consolidated training, FLETC can respond quickly to emerging training needs, readily adapt to new requirements and focus exclusively on training which is FLETC's only mission. FLETC delivers interagency training with optimal efficiency through the government-wide sharing of facilities, equipment and expertise which produces economies of scale available only from a consolidated law enforcement training organization.

FLETC currently operates four training sites throughout the United States for multiple agency use. FLETC headquarters and training site, Glynco, Georgia, has classrooms, dining and residence halls, and state-of-the-art facilities for firearms, physical techniques, driver, marine and computer based training activities. Two field locations that provide both basic and advanced training are located in Artesia, New Mexico, and Charleston, South Carolina. The fourth training site, Cheltenham, Maryland, provides in-service and re-qualification training for officers and agents in the Washington, DC area. In cooperation with the Department of State, FLETC operates an International Law Enforcement Academy in Gabarone, Botswana and in FY 2005, FLETC opened its second International Law Enforcement Academy in San Salvador, El Salvador.

B. Major Activities and Key Strategic Issues

FLETC's services to its three major law enforcement client groups underscore its homeland security support mission in promoting intergovernmental cooperation in law enforcement preparedness. FLETC: 1) serves 82 Federal Partner Organizations having law enforcement responsibilities; 2) provides training and technical assistance to state and local law enforcement entities; and 3) plans, develops and presents formal training courses and practical exercise applications related to international law enforcement training in the interest of combating global crime and protecting U.S. interests abroad.

In FY 2006, we received $279,534,000 to provide law enforcement training and re-qualification to over 50,000 students from Federal, state and local and International law enforcement agencies. FLETC also continued support of the law enforcement training accreditation program which consists of the internal accreditation of FLETC law enforcement programs and the assistance to other Federal law enforcement training agencies in the accreditation process.

FY 2005 Accomplishments

- Provide training to over 47,000 law enforcement students, an increase from almost 45,000 in FY 2005.
- Completed the transfer of the Border Patrol Training from Charleston to Artesia. Completed the infrastructure modifications at Artesia to increase the Border Patrol Agent training from 700 to 1,200.

- Assumed total operation of the Charleston Training Facility. Assisted in the stand up of the U.S. Coast Guard Maritime Law Enforcement Academy and the U.S. Courts Academy
- Assisted applicants in the accreditation process by which law enforcement training programs and facilities are accredited and law enforcement instructors are certified. FLETC submitted an application for Academy Accreditation in June 2005.
- In cooperation with the Department of State (DOS), FLETC commenced training at the second FLETC operated International Law Enforcement Academy in San Salvador, El Salvador. A total of 144 students were trained including a pilot program in Law Enforcement Development Training and specialized training programs on counter terrorism, trafficking and basic investigations of computers and electronic crimes.

Planned FY 2006 Accomplishments

- Provide training to over 50,000 law enforcement students.
- Design facility and award the construction contract for the Physical Techniques Facility at Artesia.
- Continue the infrastructure modifications along with award of the two dormitories and aquatic center at Artesia, NM necessary to support the training of up to 2,000 new Border Patrol Agents.
- Design facility and award construction contract for the Interview Complex at Glynco, Georgia required to support the increase of up to 800 new ICE Investigators.
- Conduct pilot training program using simulation for driver training scenarios.
- Commence training in a portion of the first phase of the Practical Application/Counter Terrorism Operational Training Facility which allows the trainees to experience the actual environments and confrontations that they will face in the line of duty which better prepares law enforcement agents to detect, deter and mitigate acts of terrorism.
- Receive Federal Law Enforcement Training Academy Accreditation.
- Commence new mission of service provider for accounting and budget execution functions for two DHS bureaus
- Submit application for Program Accreditation for one advanced and three law enforcement training programs.

Projected FY 2007 Accomplishments

- Provide training to over 50,000 law enforcement students.
- Provide the increased training to Border Patrol and Immigration and Customs Enforcement in support of the Secure Border Initiative
- Continue the construction of the multi-phased Practical Application/Counterterrorism Operational Training facility.
- Receive program accreditation for one advanced and three law enforcement training programs.
- Begin program training using simulation for driver training scenarios.

The key strategic issues and priorities of FLETC for the next five years will focus on expanding training programs through partnerships, emerging state-of-the-art training technology and sharing increased capacity in the most cost effective manner using the consolidated law enforcement concept of training and providing accredited law enforcement training for all law enforcement

personnel. The law enforcement officers trained at FLETC are the primary resources being used to fight the war on terrorism and to make the homeland more secure. In particular, during FY 2007 through FY 2011, FLETC will concentrate our efforts on:

- *Ensuring state of the art technology*: FLETC continues the partnership with Naval Air Warfare to integrate modeling and simulation technology to support driver and firearms training. This technology can improve the training curriculum and provide more comprehensive training in environments that can not be replicated on the traditional driver ranges. The simulation technology emulates highly dangerous law enforcement scenarios while enabling student learning in a safe and controlled environment. Simulation Training will commence in FY 2007 with the completion of facility construction.

- *Standardizing law enforcement training*: The Federal Law Enforcement Training Accreditation (FLETA) program has established policies and procedures for achieving standards in the design, development and evaluation of training and the qualification of instructors. FLETA assisted in the accreditation of the Department of State Diplomatic Security Service Academy in Dunn Loring, VA and the Department of Energy accreditation of their Basic Security Police Office Training Program in Albuquerque, NM. FLETC expects to receive Academy accreditation in FY 2006.

- *Partnering with state and local law enforcement entities:* FLETC continues to revise and develop training programs for export delivery to state, local, tribal and campus law enforcement agencies. This partnership fosters cooperation, provides technology, improves response coordination and maximizes recovery between these agencies and Federal law enforcement agencies in emergency related situations in the United States. Emerging programs for this area of training includes domestic violence training and anti-terrorism intelligence training. Special emphasis is placed on training law enforcement officers from small town and rural agencies, which comprise 95% of the state, local, tribal and campus law enforcement population.

- *Law enforcement training capacity*: FLETC evaluates facilities requirements based on Partner Organization training requests and the facilities needed to provide the training. FLETC has recently modified the facilities master plan to provide for the transfer of Border Patrol training to Artesia and the training of 2 new Partner Organizations at Charleston. FLETC continues to explore and apply training alternatives such as the use of technology-based solutions, including computer modeling and simulation, Web-based training and computer based training in order to provide the most up-to-date and cost effective consolidated training.

C. Resources Requested and Performance Impact

a. The resources required to provide the necessary training by FLETC are driven by the amount of training requested by our Partner Organizations. The FY 2007 request of $244.556 million provides for an increase of 200 new Border Patrol Agents and 50 new ICE Investigators.

Adjustments to the Accreditation program in the Salary and Expenses Appropriation includes funding to partially reimburse law enforcement agencies seeking accreditation and the transfer of the internal FLETC accreditation portion to FLETC sub-program Federal Law Enforcement

Training. Adjustments to the Construction and Improvement program in the Acquisition, Construction, Improvements and Related Expenses Appropriation includes decreases for one time construction projects funded in FY 2006 in support of the Secure Border Initiative.

b. The Program Assessment Rating Tool (PART) Review plays a critical role in resource investment decisions, management actions and legislative proposals. The PART has fostered identification of both specific mission-program performance and enterprise-wide improvement opportunities. FLETC continues to improve the integration of its performance planning and program budgeting as demonstrated by the results of the reassessment in FY 2005 for the FY 2007 PART Reviews. The FY 2007 PART overall rating of "Adequate Results Demonstrated" is a significant improvement from the FY 2004 PART overall rating of "Results Not Demonstrated."

FY 2007 FLETC PART Assessment Summary Scores			
Section	**OMB Weighting**	**Score**	**Weighted Score**
Program Purpose & Design	20%	88%	18%
Strategic Planning	10%	62%	6%
Program Management	20%	86%	17%
Program Results	50%	35%	17%
			58%

The alignment of FLETC programs to the Department of Homeland Security (DHS) Strategic plan and objectives and FLETC strategic plan enables FLETC to set priorities at all levels of the performance planning and program budgeting processes. The development of clear long-term performance goals, measures and targets enables FLETC to track the successful accomplishment of its mission and realization of its vision by ensuring its Partner Organizations have the highest caliber law enforcement training and facilities. Also, the DHS multi-year performance budget enables FLETC to develop and improve outcome and efficiency measures, as well as the short- and long-term targets associated with them.

D. How FLETC Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

Law Enforcement Training program performance goal – Provide the knowledge and skills to law enforcement agents and officers to fulfill their responsibilities.

2.4 Coordinate national and international policy, law enforcement and other actions to prepare for and prevent terrorism.

Accreditation program performance goal – Accredit all Federal law enforcement training.

2.4 Coordinate national and international policy, law enforcement and other actions to prepare for and prevent terrorism.

A. Performance Based Budget Highlights by Program

Measure: Percentage of federal supervisors that rate their FLETC basic training graduate's preparedness as good or excellent	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Baseline	73%	73%	74%
	Actual	73.4%	90%		
Performance Goal: Provide Federal law enforcement agents and officers, skilled in the latest techniques, to enforce laws and regulations, protect the Nation, and interact with the public with respect for individuals and civil liberty.					
Measure: Percentage of Partner Organizations (POs) that express an agree or strongly agree on the Partner Organization Satisfaction Survey (POSS)	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	78%	80%	82%	82%
	Actual	92.70%	92.70%		
Program: Law Enforcement Training - Sub Program Federal Law Enforcement	$ Thousands		$157,509	$185,388	$195,605
	FTE		890	960	977
Performance Goal: Provide state & local law enforcement agents and officers, skilled in the latest techniques, to enforce laws and regulations, protect the Nation, and interact with the public with respect for individuals and civil liberty.					
Measure: Percentage of students that express excellent or outstanding on the student quality of training survey (SQTS)	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Baseline	64%	66%	67%
	Actual	64.1	64%		
Program: Law Enforcement Training - Sub Program State and Local Law Enforcement	$ Thousands		$ 6,456	$3,921	$3,993
	FTE		34	20	20
Performance Goal: Provide international law enforcement agents and officers, skilled in the latest techniques to fulfill their law enforcement responsibility and to help foreign nations fight terrorism.					
Measure: Percentage of students that express excellent or outstanding on the student quality of training survey (SQTS)	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Baseline	64%	66%	67%
	Actual	64.1%	64%		
Program: Law Enforcement Training - Sub Program International Law Enforcement	$ Thousands		$ 1,910	$1,395	$1,422
	FTE		16	12	12
Performance Goal: Provide access to state-of the-art facilities necessary to deploy knowledgeable and skilled Federal law enforcement agents and officers to enforce laws and regulations, protect the Nation, and interact with the public with respect for individuals and civil liberty.					
Measure: Percentage of requested training programs conducted (Capacity Measure)	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Baseline	98%	98%	98%
	Actual	98.5%	98.55%		
Program: Law Enforcement Training - Sub Program Construction and Improvement	$ Thousands		$60,050	$87,474	$42,246
	FTE		0	0	0
Performance Goal: Provide the process based on established law enforcement standards by which law enforcement training programs and facilities are accredited and law enforcement instructors are certified.					
Measure: Number of Accreditation Assessors Trained	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Baseline	N/A		
	Actual	8			
Measure: Total number of programs accredited and re-accredited through Federal Law Enforcement Training Accreditation (FLETA)	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	N/A	2	5	9
	Actual	N/A	2		
Program: Accreditation	$ Thousands		$1,643	$1,356	$1,290
	FTE		9	9	7

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

Budget Activity	FY 2005 Actual		FY2006 Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY												
1. Law Enforcement Training	**940**	**226,925**	**992**	**278,178**	**1,009**	**243,266**	**17**	**(34,912)**	**15**	**6,887**	**2**	**(41,799)**
Federal	890	157,509	960	185,388	977	195,605	17	10,217	17	5,887	2	4,330
State & Local	34	6,456	20	3,921	20	3,993		72				72
International	16	1,910	12	1,395	12	1,422		27				27
Construction & Improvement		60,050		87,474		42,246		(45,228)		1,000		(46,228)
BUDGET ACTIVITY												
2. Accreditation	**9**	**1,643**	**9**	**1,356**	**7**	**1,290**	**(2)**	**(66)**		**300**	**(2)**	**(366)**
Unobligated budget expiring												
Subtotal, Budget Authority (All Sources)	**949**	**227,568**	**1,001**	**279,534**	**1,016**	**244,556**	**15**	**(34,978)**	**15**	**7,187**	**0**	**(42,165)**
Total enacted appropriations and budget estimates	**949**	**227,568**	**1,001**	**279,534**	**1,016**	**244,556**	**15**	**(34,978)**	**15**	**7,187**	**0**	**(42,165)**

The above digest lists total appropriations for all CN FYHSP programs.

Department of Homeland Security

Office of Screening Coordination and Operations

Fiscal Year 2007

Overview

Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Office of Screening Coordination and Operations
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	---	$0	17	$3,960	17	$3,960	---	$0	---	$0	---	$0
Subtotal, Enacted Appropriations and Budget Estimates	**0**	**$0**	**17**	**$3,960**	**17**	**$3,960**	**0**	**$0**	**0**	**$0**	**0**	**$0**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropprintions and Budget Estimates	**0**	**$0**	**17**	**$3,960**	**17**	**$3,960**	**0**	**$0**	**0**	**$0**	**0**	**$0**

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
Office of Screening Coordination and Operations
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
SCO	—	$0	—	$0	—	$0	17	$3,960	—	$0	17	$3,960	17	$3,960	—	$0	17	$3,960
Total Direct Appropriations and Budget Estima	—	$0	—	$0	—	$0	17	$3,960	—	$0	17	$3,960	17	$3,960	—	$0	17	$3,960

Explanation of Changes:
No changes over FY 2006 Revised Enacted.

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Office of Screening Coordination and Operations

Status of Congressionally Requested Studies, Reports, and Evaluations

Not Applicable

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Office of Screening Coordination and Operations
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
SCO	N/A	N/A	N/A	$3,960
Total Direct Authorization/Appropriation				$3,960

Department of Homeland Security

Office of Screening Coordination and Operations

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

OFFICE OF SCREENING COORDINATION AND OPERATIONS

I. Appropriation Overview

A. Mission Statement for Office of Screening Coordination and Operations:

The Office of Screening Coordination and Operations (SCO) will improve security screening by creating screening standards and policies for the Department of Homeland Security, by providing a single redress office for travelers, by setting common standards for registered traveler programs, and by assisting with standards on the Western Hemisphere Travel Initiative and the Strategic Prosperity Partnership.

B. Budget Activities:

The functions of the SCO include: (1) development of a unified business vision and strategy for the coordinated screening of people; (2) development of standards and coordination of policies; (3) oversight of DHS screening programs, and management of screening and credential acquisitions; and (4) establishment of unified standards concerning enrollment, biometrics, credentialing, and central redress practices and policies.

C. Budget Request Summary:

The Office of Screening Coordination and Operations requests 17 positions, 17 FTE, and $3,960,000 for FY 2007. The total request maintains the FY 2006 Revised Enacted funding level.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Office of Screening Coordination and Operations
Salaries and Expenses
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
SCO	---	$0	17	$3,960	17	$3,960	---	$0	---	$0	---	$0
Subtotal, Enacted Appropriations and Budget Estimates	---	**$0**	**17**	**$3,960**	**17**	**$3,960**	---	**$0**	---	**$0**	---	**$0**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	---	**$0**	**17**	**$3,960**	**17**	**$3,960**	---	**$0**	---	**$0**	---	**$0**

III. Current Services Program Description by PPA

Department of Homeland Security
Office of Screening Coordination and Operations
Salaries and Expenses
Program Performance Justification
(Dollars in thousands)

PPA: SALARIES AND EXPENSES

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**17**	**17**	**3,960**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	**17**	**17**	**3,960**
2007 Program Change	...	...	...
2007 Request	**17**	**17**	**3,960**
Total Change 2006-2007	...	...	...

The SCO requests $3.96M for this activity. This maintains the FY 2006 Revised Enacted level.

CURRENT SERVICES PROGRAM DESCRIPTION:

Concept of Operations: The SCO is developing and coordinating the Business Vision as follows:

- *Develop Standarized Screening Business Process.* The SCO is developing of a set of harmonized screening processes, , including biometrics and information management, application and credentialing, card issuance, and redress. Common services encompass creation of:

  - *Harmonized screening databases & standardized matching processes.* The SCO is defining the policy and business vision – and is coordinating with the Office of Chief Information Officer and relevant components on the development of enterprise and technical architecture, including standards and program management process -- for harmonizing DHS's multiple screening databases into a single source to accurately identify an individual and view the travel and see history at the detail transaction level. SCO will develop a consistent approach for collecting and matching information against watch lists. SCO will also work with the Department of State and other U.S. Government agencies to further integrate screening efforts.

  - *Common biometrics/biographic standards and enrollment processes, and integrated priorities.* The SCO is working with relevant DHS components to coordinate and develop common DHS standards for the selection, capture and storage of biometrics in DHS's multiple biometrics programs. Additionally, the SCO is developing standards and protocols for the access and sharing of biometric data, within DHS and with relevant external agencies. The SCO is also working with relevant DHS components to establish integrated priorities for applied research and development and deployment efforts.

- *Common application and credentialing processes for registered traveler and credentialing programs.* The SCO is defining common processes for enrollment in DHS's multiple registered traveler program and other credentialing programs. For situations where individuals are likely to apply for similar categories of DHS status or credentialing programs, the SCO will construct an appropriately unified application process.

- *Common card standards.* The SCO is working with relevant DHS components to establish common DHS standards on cards issued for trusted traveler or credentialing programs.

- *Unified redress.* The SCO will develop a comprehensive, one-stop, 24/7 DHS-wide redress office. SCO will work with the Department of State and other agencies to improve how individuals can seek redress.

- *Common acquisition approaches.* The SCO will coordinate the acquisition of common screening tools -- software and hardware.

- *Oversee Budget Formulation & Investment Decisions.* The SCO will review investment decisions, and provide budget guidance for new initiatives for DHS screening systems so that the Department does not duplicate screening.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Office of Screening Coordination and Operations
Justification of Proposed Changes in SCO
Appropriation Language

For necessary expenses of the Office of Screening Coordination and Operations, [$4,000,000] ***$3,960,000***.

Explanation of Changes:

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Office of Screening Coordination and Operations
Salaries and Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	$
2006 Revised Enacted	17	17	3,96
Adjustments-to-Base			
Total Adjustments-to-Base	---	---	-
2007 Current Services	17	17	3,96
Program Changes			
Program Increases/(Decreases)			
Total Program Changes	---	---	-
2007 Request	17	17	3,96
2006 to 2007 Total Change	---	---	-

C. Summary of Requirements

Department of Homeland Security
Office of Screening Coordination and Operations
Salaries and Expenses
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	$0
2006 Revised Enacted	17	17	3,960
2007 Current Services	17	17	3,960
2007 Total Request	17	17	3,960
2006 to 2007 Total Change	---	---	---

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 SCO	17	17	$3,960	---	---	$0	---	---	$ ---	17	17	$3,960	---	---	$0
Total	17	17	$3,960	---	---	$0	---	---	$0	17	17	$3,960	---	---	---

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D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
Office of Screening Coordination and Operations
Salaries and Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$0	$2,103	$2,103	$0
12.1 Benefits	---	654	654	---
Total, Personnel Comp. & Benefits	**$0**	**$2,757**	**$2,757**	**$0**
Other Object Classes:				
21.0 Travel	---	63	63	---
23.3 Communications, utilities, & other misc. charges	---	65	65	---
25.2 Other services	---	818	818	---
25.7 Operation and maintenance of equipment	---	147	147	---
26.0 Supplies and materials	---	77	77	---
31.0 Equipment	---	33	33	---
Total, Other Object Classes	**$0**	**$1,203**	**$1,203**	**$0**
Total, Direct Obligations	**$0**	**$3,960**	**$3,960**	**$0**
Unobligated balance, start of year				
Unobligated balance, end of year				
Recoveries of prior year obligations				
Total requirements	**$0**	**$3,960**	**$3,960**	

F. Permanent Positions by Grade

Department of Homeland Security
Office of Screening Coordination and Operations
Salaries and Expenses
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	1	1	---
GS-15	---	5	5	---
GS-14	---	7	7	---
GS-13	---	1	1	---
GS-12	---	1	1	---
GS-9	---	2	2	---
Other Graded Positions				---
Ungraded Positions				---
Total Permanent Positions	---	**17**	**17**	---
Unfilled Positions EOY		17	---	(17)
Total Perm. Employment EOY		---	17	17
FTE	---	**17**	**17**	---
Headquarters	---	17	17	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	---	**17**	**17**	---
Average ES Salary	$ ---	$ 145,000	$ 150,000	$ 5,000
Average GS Salary	$ ---	$ 107,083	$ 109,533	$ 2,450
Average GS Grade	---	14	14	---

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
Office of Screening Coordination and Operations
Salaries and Expenses
PPA
Funding Schedule
(Dollars in Thousands)

PPA: Salary and Expenses		2005 Actual	2006 Rev. Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$0	$2,103	$2,103	$0
12.1	Benefits	---	654	654	---
21.0	Travel	---	63	63	---
23.3	Communication, Utilities, and misc charges	---	65	65	---
25.2	Other Services	---	818	818	---
25.4	Operation & maintenance of facilities	---	147	147	---
26.0	Supplies & materials	---	77	77	---
31.0	Equipment	---	33	33	---
Total, Investigations - Operations		**$0**	**$3,960**	**$3,960**	**$0**
Full Time Equivalents			17	17	---

PPA Mission Statement

The Office of Screening Coordination and Operations (SCO) will improve security screening by creating screening standards and policies for the Department of Homeland Security, by providing a single redress office for travelers, by setting common standards for registered traveler programs, and by assisting with standards on White House initiatives such as the Western Hemisphere Travel Initiative and the Strategic Prosperity Partnership.

Summary Justification and Explanation of Changes

Not Applicable

I. Schedule of Working Capital Fund

Department of Homeland Security
Office of Screening Coordination and Operations
SCO

FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	Increase / Decrease for FY 2007
	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Headquarters Fee For Service Activity	$0	$97	$78	($19)
Headquarters Government Wide Service Activity		1	2	1
Headquarters DHS Secretary Crosscutting Activity		1	1	0
Total Working Capital Fund	**$0**	**$99**	**$81**	**($19)**

Note: Differences in increase/decrease column due to rounding.

Department of Homeland Security

Office of Screening Coordination and Operations

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

OFFICE OF SCREENING COORDINATION AND OPERATIONS (SCO)

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A. Mission and Description of Office of Screening Coordination and Operations (SCO)

The Office of Screening Coordination and Operations (SCO) will improve security screening by creating screening standards and policies for the Department of Homeland Security, providing provide a single redress office for travelers, and by setting common standards for registered traveler programs. The SCO will assist with the Western Hemisphere Travel Initiative and the Strategic Prosperity Partnership.

The Screening Coordination office will enhance the interdiction of terrorists and criminals by integrating process and procedures to detect, identify, track, and interdict people and conveyances, and other entities and objects that pose a threat to homeland security, while safeguarding legal rights, including civil liberties and personal privacy. This program will oversee and coordinate multiple screening processes throughout the Department

B. Major Activities and Key Strategic Issues

In FY 2006, funds will be used to establish a program office and, hire staff.

The SCO will: (1) develop a strategy for coordinated screening ; (2) develop screening standards that all DHS components can use; (3) manage and oversee the acquisition of new screening systems and credentials; and (4) set DHS standards for enrollment, biometrics, credentialing, and redress practices and policies.

C. Resources Requested and Performance Impact

The SCO requests 17 positions, 17 FTE, and $3,960,000 for FY 2007 Request. The total maintains the FY 2006 Revised Enacted funding level. In FY 2007, the SCO will continue to enhance and unify the operting approaches for four key elements of risk-based screening, civil liberties and privacy, governance and information sharing as the foundation for a coordinated, comprehensive and effective risk-based management approach.

D. How Component Name Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

The list below is the performance goal for the SCO followed by the DHS Strategic Objective the SCO supports.

Office of Screening Coordination and Operations – Enable Federal Immigration and Border Management agencies to make timely and accurate risk and eligibility decisions through coordination of screening capability policies, business strategy and processes, data, information systems, and technology to further enhance security and immigration, travel, and credentialing experiences.

2.1 Secure our borders against terrorists, means of terrorism, illegal drugs and violations of trade and immigration laws.

E. Performance Based Budget Highlights by Program

For SCO, the performance goal, performance measure(s), budget including allocation of non-programmatic overhead, and FTE are:

Performance Goal: Enable DHS components to make timely and accurate risk and eligibility decisions about people.						
Measure: SCO is developing a new measure that will be completed in FY 2006.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	n/a	n/a	n/a	TBD	TBD
	Actual	n/a	n/a	n/a		
Program: Office of Screening Coordination and Operations	$ Thousands	n/a	n/a	n/a	$3,960	$3,960
	FTE	n/a	n/a	n/a	17	17

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY2005 Actual		FY2006 Revised Enacted		FY2007 Estimate		Increase (+) or Decrease (-) for FY 2006:					
							Total Changes		Program Changes		Other Changes	
Bu Activity	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY 1. SCO	0	0	17	3,960	17	3,960	0	0	0	0	0	0
Subtotal, Budget Authority (All Sources)	0	0	17	3,960	17	3,960	0	0	0	0	0	0
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	0	0	17	3,960	17	3,960	0	0	0	0	0	0

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
United States Visitor and Immigrant Status Indicator Technology	84	$ 396,000	102	$ 336,600	102	$ 399,494	---	$ 62,894	---	$ 60,084	---	$ 2,810
Subtotal, Enacted Appropriations and Budget Estimates	**84**	**$ 396,000**	**102**	**$ 336,600**	**102**	**$ 399,494**	**0**	**$ 62,894**	**0**	**$ 60,084**	**0**	**$ 2,810**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropprations and Budget Estimates	**84**	**$ 396,000**	**102**	**$ 336,600**	**102**	**$ 399,494**	**0**	**$ 62,894**	**0**	**$ 60,084**	**0**	**$ 2,810**

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses	101	$ 340,000	---	$0	102	$ 340,000	102	$ 336,600	---	$0	102	$ 336,600	102	$ 399,494	---	$0	102	$ 399,494
- Personnel compensation and benefits	102	$ 340,000	---	---	102	$ 340,000	102	$ 336,600	---	---	102	$ 336,600	102	$ 399,494	---	---	102	$ 399,494
Total Direct Appropriations and Budget Estimates	102	$340,000	---	$0	102	$340,000	102	$336,600	---	$0	102	$336,600	102	$399,494	---	$0	102	$ 399,494

Explanation of Changes: The program incorrectly its FY 2005 totals in MAX and has revised itsestimates.

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology

Status of Congressionally Requested Studies, Reports, and Evaluations

1. House Report 108-541, Title II, page 16, directs the Under Secretary for Border and Transportation to submit a report on the results of the re-engineering and progress in achieving a streamlined acquisition strategy, including any legislative or funding requirements, with the fiscal year 2006 budget request. US-VISIT was tasked to assist with reporting requirements. It is anticipated that this report will be delivered to the Hill by February 28, 2006.

2. House Report 108-541, Title II, page 21, directs the United States Visitor and Immigrant Status Indicator Technology program to submit detailed monthly reports on the planned and actual deployment of the US-VISIT entry and exit systems and equipment at airports and seaports. The goal for US-VISIT is to prepare and submit the detailed monthly report to DHS within 30 days after the previous month's close. The department plans to deliver all outstanding monthly reports to the Hill by February 28, 2006.

3. Conference Report 109-241, Title II, page 41, in the statement of managers accompanying the conference report on Public law 108-334, the Department of Homeland Security was directed to submit a report by January 14, 2005, on the status of efforts between the Departments of Homeland Security and Justice to achieve real-time interoperability between the Integrated Automated Fingerprint Identification System and the Automated Biometric Identification System. The Committees on Appropriations did not receive this report until August 22, 2005. The conferees direct the cost and schedule estimate referred to in the report be completed no later than November 20, 2005, so that the results can be incorporated into the fiscal year 2006 United States Visitor and Immigrant Status Indicator Technology (US-VISIT) expenditure plan and the fiscal year 2007 President's Budget. It is anticipated that this report will be simultaneously submitted with the expenditure plan by March 20, 2006.

4. Conference Report 109-241, Title I page 4 and Title II page 41; House Report 109-79, Title II page 23; House Bill HR 2360 EH, Title I page 6; and Senate Bill HR 2360 EAS, Title I page 5 directs Expenditure Plan - That the total amount made available under this heading, $159,658,000 may not be obligated for the United States Visitor and Immigrant Status Indicator Technology project until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A-11, Part 7; (2) complies with the Department of Homeland Security information systems enterprise architecture; (3) complies with the acquisitions rules, requirements, guidelines and systems acquisitions management practices of the Federal Government; (4) includes a certification by the Chief Information Officer of the Department of Homeland Security that an independent verification and validation agent is currently under contract for the project; (5) is reviewed and approved by the Department of Homeland Security Investment Review Board, the Secretary of Homeland Security, and the Office of Management and Budget; and (6) is reviewed by the Government Accountability Office. [Per House/Senate report language, this plan must reflect a clear benefit-cost analysis associated with the increments being proposed for funding.] The expenditure plan is anticipated to be with the Committees on Appropriations of the Senate and House by March 20, 2006.

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
U.S. Visit	2008	Such sums	Such sums	$399,494
Total Direct Authorization/Appropriation				$399,494

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Department of Homeland Security

United States Visitor and Immigrant Status Indicator Technology

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Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

United States Visitor and Immigrant Status Indicator Technology

I. Appropriation Overview

A. Mission Statement for United States Visitor and Immigrant Status Indicator Technology:

The Department of Homeland Security's United States Visitor and Immigrant Status Indicator Technology (US-VISIT) Program has established four goals to accomplish its mission: (1) enhance the security of our citizens and visitors, (2) facilitate legitimate travel and trade, (3) ensure the integrity of our immigration system, and (4) protect the privacy of our visitors. The US-VISIT Program is a key component of a multi-layered, multi-agency defense that is integral to domestic security.

The mission of the US-VISIT Program is to collect, maintain, and share information, including biometric identifiers, on foreign nationals to determine whether an individual (1) should be prohibited from entering the United States; (2) can receive, extend, change, or adjust immigration status; (3) has overstayed or otherwise violated the terms of their admission; (4) should be apprehended or detained for law enforcement action; or (5) needs special protection/attention (e.g., refugees).

United States Visitor Immigrant Status and Information Technology (US-VISIT) provides immigration and travel information on the activities of foreign nationals before they enter, when they enter, and when they exit the United States. While they are in the U.S., US-VISIT continues watch list checks to provide notification to ICE and other law enforcement agencies if criminal violations occur. US-VISIT collects biometric and biographic information on foreign nationals traveling to the United States. US-VISIT's technologically-based approach to immigration and border management will lead to the creation of a virtual border to the United States. The US-VISIT program also provides the data necessary to perform better analyses of our immigration system, inform policy development, and support proactive border management.

B. Budget Activities:

In fiscal year 2006, Congress appropriated US-VISIT $336.6 million to continue ongoing operations including new development and implementation. Specifically the Program will utilize these resources to (1) complete US-VISIT initial operating capability and functionality that meets Congressional requirements at the remaining 104 land border ports of entry by December 31, 2005; (2) deploy equipment and software so that Customs and Border Protection (CBP) officers can biometrically compare and authenticate travel documents issued by Departments of State and Homeland Security to aliens; (3) begin the process necessary to transition to 10-fingerscan enrollment as announced by Secretary Chertoff; (4) working with the Department of Justice, design and build a prototype—the interim data sharing model—that is a first step towards a fully interoperable environment between DHS IDENT and FBI IAFIS; (5) develop and begin to deploy e-Passport readers; (6) plan and design new technology architecture; and (7) provide continued operations and maintenance support along with the program management capabilities established.

In fiscal year 2007, the US-VISIT Program plans to accomplish the following within the identified program increments:

Increment 2A: United States Travel Documents and e-Passports - This increment provides the deployment of the capability to (1) biometrically compare and authenticate travel documents issued by the Departments of Homeland Security and State to aliens; (2) biometrically compare and authenticate e-Passports (which include an integrated computer chip capable of storing biographic and biometric information) issued by the United States and VWP countries.

In fiscal year 2007, US-VISIT plans to (1) develop a deployment strategy for e-Passport readers that will read both United States and foreign chip-enabled passports while meeting the ICAO standard; (2) complete execution of test plans to support an international joint live operational test with Visa Waiver Program countries; and (3) issue and award the acquisition of the e-Passport readers, and (4) work to complete the implementation of e-passport readers at designated land and sea ports by October 26, 2006.

Increment 2C: Automated Radio Frequency Identification (RFID) - Land Border Ports of Entry – In Phase One of the initiative, conducted in fiscal year, DHS embedded an RFID tag into Form I-94/A (Arrival/Departure Form for nonimmigrant aliens) and implemented the U.S.-Pedestrian integrated client using pre-positioned RFID traveler information at land border pedestrian primary workstations. During Phase Two development and testing, conducted in fiscal year 2006, DHS will allow for the continued recording of traveler entries and exits, enable vehicle association to traveler identities, trigger updated biographic and biometric watch list checks and provide the results in a person-centric consolidated view to CBP Officers at vehicle primary entry and pedestrian primary inspection. Following Phase Two of the Proof of Concept, DHS will complete a cost benefits analysis, which will incorporate the analysis and evaluation of the results to guide decisions during the later stages of the increment.

Operations and Maintenance - Funding for Operations and Maintenance will be utilized in fiscal year 2007 to support the delivered functionality to air, sea and land ports of entry, including biometric matcher hardware to support the estimated growth in population coverage. These costs include funding for support personnel in the areas of systems management, operation and administration as well as expenses for ongoing software configurations, table maintenance, a call center and on-site help desk support, and other functional and technical support services as required.

Program Management and Operations - Funding for Program Management Operations is required in fiscal year 2007 to maintain the program management structure and a baseline operation that includes salaries and benefits for government full time equivalents, rent, supplies, program support contracts, and travel.

Increment 4: 10-Print Capture Automated Biometric Identification System (IDENT) and Integrated Automated Fingerprint Identification (IAFIS) Interoperability ($60 million) - These funds will be used for the transition to 10-print collection at US-VISIT enrollment and begin planning and development of initial operating capability for the IDENT/IAFIS interoperability initiative. The funds will be utilized to complete the software and hardware infrastructure changes necessary for the 10-Print data capture to be accepted and stored in the IDENT system and to commence the implementation of 10-Print readers at locations currently using the US-VISIT processing (commensurate with the Department of State implementation at the consular posts overseas). In addition, US-VISIT will move towards the initial operating capability (IOC) phase of the IDENT/IAFIS interoperability, which will build a capability for sharing information to enhance checks beyond the existing watch lists to include information such as the Criminal Master File and the recidivist data. This IOC includes a fully supportive infrastructure to enable the exchange of data between the Federal Bureau of Investigation's and Department of Homeland Security's IDENT systems.

C. Budget Request Summary:

The US-VISIT Program requests 115 positions, 102 full time equivalents, and $399,494,000 for fiscal year FY 2007. The total adjustments-to-base is zero FTEs and $2,810,000. In addition, the fiscal year 2007 request includes resources to continue to plan and implement the transition to 10-Print and IDENT/IAFIS interoperability efforts – an increase of $60,084,000 over FY 2007 current services level.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
United States Visitor and Immigrant Status Indicator Technology	84	$395,847	102	$336,600	102	$399,494	---	$62,894	---	60,084	---	$2,810
Subtotal, Enacted Appropriations and Budget Estimates	**84**	**$395,847**	**102**	**$336,600**	**102**	**$399,494**	**---**	**$62,894**	**---**	**$60,084**	**---**	**$2,810**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**84**	**$395,847**	**102**	**$336,600**	**102**	**$399,494**	**---**	**$62,894**	**---**	**$60,084**	**---**	**$2,810**

Explanation of Changes: The program incorrectly reported its FY 2005 FTE total in MAX and has revised its amount.

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III. Current Services Program Description by PPA

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
Program Performance Justification
(Dollars in thousands)

PPA: United States Visitor and Immigrant Status Indicator Technology

	Perm Pos	FTE	Amount
2005 Actual	**115**	**84**	**395,847**
2006 Revised Enacted	**115**	**102**	**336,600**
2007 Adjustments-to-Base	-	-	2,810
2007 Current Services	**115**	**102**	**339,410**
2007 Program Change	-	-	60,084
2007 Request	**115**	**102**	**399,494**
Total Change 2006-2007			62,894

US-VISIT requests a total of $399.5 million for this activity in FY 2007. This is an increase of $62.9 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The US-VISIT Program has launched the following incremental capabilities:

***Increment 1*: Entry/Exit – Air and Sea Ports of Entry - (Total Resources obligated to date is $265.7 million)** – provides capabilities to improve the entry and exit data at all air and sea ports of entry through the capture of traveler biographic and biometric information (inkless finger scans and digital photographs). US-VISIT implemented the automated entry/exit capability required by the Data Management Improvement Act of 2000 for nonimmigrant visa travelers at 115 air and 14 sea ports of entry on December 31, 2003.

***Increment 2A:* United States Travel documents and e-Passports - (Total resources obligated to date is $37.8 million)** - provides for the capability to (1) biometrically compare and authenticate travel documents issued by the Departments of State and Homeland Security to aliens and (2) biometrically compare and authenticate e-Passports containing an integrated computer chip capable of storing biographic and biometric information issued by the United States and VWP countries. In FY 2007, Increment 2A focuses on providing this capability at additional inspection lanes as the technology of the readers improves.

***Increment 2B*: Entry/Land Border - 50 Largest land border ports - (Total resources obligated to date $155 million)** – provided capability to electronically capture of traveler biographic and biometric information (Increment 1: Exit/Entry capability) at the 50 busiest land border ports. Specifically, this Increment provided the capability to electronically capture arrival data (biographic and class of admission) for travelers issued Form I-94 and Form I-94W including the capability to electronically capture biometric data (unless exempt), which consists of collecting from the traveler

two fingerprint scans and a digital photograph, and print the Form I-94 Departure Record and enable arrival data to be shared with other authorized border management users of the system.

Increment 2C: **Automated Radio Frequency Identification (RFID) – *Land Border Ports of Entry* (Total resources obligated to date - $82.1 million)**- The goal of Increment 2C is to enhance the biometric entry capabilities as implemented in Increments 1, 2B and 3 at land POEs, through the issuance of a unique automatic identifier that can be passively read (requiring no action by the traveler) upon entry and remotely read during exit.

The implementation of RFID will: (1) issue electronic, unique traveler identification and link this unique identifier to the individual's biographic and biometric data; (2) provide additional information through the design and development of a person-centric view to the CBP officer at primary inspection who determines admissibility; (3) identify travelers who may be of significant law enforcement interest at exit as a result of watch list queries against traveler database; (4) record the land border entry and exit of each unique identifier automatically, passively, and remotely; (5) integrate information on travelers and vehicles at land border entry and exit, as well as providing access to relevant information to CBP officers; and (6) protect the privacy of travelers.

***Increment 3*: Entry/Remaining Land Border Ports of Entry (Total resources obligated to date $26 million)** – provided the same capture capability of Increment 2B at 105 land, ferry and rail crossings to enable the electronic capture of biographic, biometric, and related travel data for arriving nonimmigrant by December 31, 2005.

Increment 4: **Modernization and Expansion of Systems and Capabilities -**

US-VISIT will begin the transition to 1) ***10-Print Deployment,*** which collect and process ten fingerprints of foreign visitors and improve screening, accuracy, and processing times; and 2) interoperability between the Federal Bureau of Investigation's IAFIS and Department of Homeland Security's IDENT systems that will support the sharing of alien biometric and biographic information, and integrated alien information systems and processes.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: 10-Print IDENT/IAFIS Interoperability

Strategic Goal(s) & Objective(s): 2.1, 6.2 and 6.4
PPA:

Program Increase: Positions 0 FTE 0 Dollars $60,084

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	$8,049
Program Increase 1							0	0	$60,084
Total Request	**0**	**0**	**$0**	**0**	**0**	**$8,049**	**0**	**0**	**$68,133**

Description of Item

The 10-Print Implementation and IDENT/IAFIS Interoperability initiative will provide the capability to biometrically screen foreign visitors to the United States through the collection of 10-Print slap capture at enrollment in US-VISIT and 2-Print verification. This fingerprint standard improves the ability to match enrollees' fingerprints against latent prints, mitigate concerns about false negatives when matching enrollees against poor quality prints, and ensures faster processing time in order to resolve false positives. This will provide the most complete, appropriate, timely, and relevant information to federal border management decision-makers about the eligibility and admissibility of a travelers and to federal investigators.

Justification

The FY 2007 budget request is $399.494 million. An increase of $60 million in FY 2007 is requested to continue the transition to 10-print capture and the IDENT/IAFIS interoperability initiative. US-VISIT, in conjunction with the Departments of State and Justice, will in FY 2006 and 2007 plan and begin to implementing the (the second stage as well) capability. The planning and implementation activities will involve supporting the IDENT / IAFIS interoperability activities, enrolling foreign nationals using 10-Print, enhancing the operational capabilities of IDENT, improving immigration and border management business processes, enhancing technology capabilities, and the deployment of the new technologies while advancing research and development efforts.

Impact on Performance (Relationship of Increase to Strategic Goals)

This increase will improve the Federal Government's ability to screen travelers. In addition, this increase will provide the resources to address a long-standing interoperability problem between the FBI's IAFIS system and DHS' IDENT system.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
Justification of Proposed Changes in
Appropriation Language

For necessary expenses of the United States Visitor and Immigrant Status Indicator Technology project, as authorized by section 110 of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 (8 U.S.C. 1221 note), [$336,600,000] ***$399,494,000*** to remain available until expended.[*Provided*, That of the total amount made available under this heading, $159,658,000 may not be obligated for the United States Visitor and Immigrant Status Indicator Technology project until the on Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure prepared by the Secretary of Homeland Security that–

(1) meets the capital planning and investment control review requirements established buy the Office of Management and Budget, including Circular A-11, part 7;

(2) complies with the Department of Homeland Security information systems enterprise architecture;

(3) complies with the acquisition rules, requirements, guidelines, and systems management practices of the Federal Government;

(4) includes a certification by the Chief Information Officer of the Department of Homeland Security that an independent verification and validation agent is currently under contract for the project;

(5) is reviewed Department of Homeland Security information systems enterprise architecture;

(6) is reviewed Department of Homeland Security Investment Review Board, the Secretary of Department of Homeland Security, and the Office of Management and Budget; and

(7) is reviewed by the Government Accountability Office]. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

The program is adjusting the requirement for an expenditure plan.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology

FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**115**	**84**	**$395,847**
2006 Revised Enacted	**115**	**102**	**336,600**
Adjustments-to-Base			
Transfers to and from other accounts:			
Increases			
2007 pay increase	---	---	359
Non-pay inflation excluding GSA Rent	---	---	5,851
Total Increases	---	---	6,210
Decreases			
Termination of one-time costs	---	---	(3,400)
Management and Technology Efficiencies	---	---	
Total Decreases	---	---	(3,400)
Total Adjustments-to-Base	---	---	**2,810**
2007 Current Services	**115**	**102**	**339,410**
Program Changes			
Program Increases/(Decreases)			
New Initiative (10-Print IDENT\IAFIS)	---	---	60,084
Total Program Changes	---	---	**60,084**
2007 Request	**115**	**102**	**399,494**
2006 to 2007 Total Change	---	---	**62,894**

Note: The program incorrectly reported its FY 2005 FTE total in MAX and has revised its amount.

C. Summary of Requirements

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology

Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	115	84	$395,847
2006 Revised Enacted	115	102	336,600
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	6,210
Decreases	---	---	(3,400)
Total Adjustments-to-Base	---	---	2,810
2007 Current Services	115	102	339,410
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	60,084
2007 Total Request	115	102	399,494
2006 to 2007 Total Change	---	---	62,894

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 US-VISIT	115	102	$336,600	---	---	2,810	---	---	$ 60,084	115	102	$399,494	---	---	$62,894
Total	115	102	$336,600	---	---	$2,810	---	---	$60,084	115	102	$399,494	---	---	$62,894

Note: The program incorrectly reported its FY 2005 FTE total in MAX and has revised its amount.

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology

Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$8,501	$12,048	$12,407	$359
11.3 Other than full-time permanent	211	250	275	$25
11.5 Other Personnel Compensation	195	268	295	$27
11.8 Special Service Pay	---	---	---	-
12.1 Benefits	2,326	2,874	3,162	$288
13.0 Benefits - former	---	---	---	-
Total, Personnel Comp. & Benefits	**$11,233**	**$15,440**	**$16,139**	**$699**
Other Object Classes:				
21.0 Travel	952	1,020	1,020	---
22.0 Transportation of things	124	128	199	71
23.1 GSA rent	4,499			---
23.2 Other rent	---	4,544	4,544	---
Communications, utilities, & other misc. charges	35	40	40	---
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services				---
25.2 Other services	356,583	307,637	317,487	9,850
25.3 Purchases of goods & svcs. from Gov't accounts	---	---	---	---
25.4 Operation & maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment				---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	1,477	969	969	---
31.0 Equipment	20,944	6,822	59,096	52,274
32.0 Land & structures	---	---	---	---
41.0 Grants/Subsidies/Contributions	---	---	---	---
42.0 Indemnity	---	---	---	---
43.0 Interest & dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---		---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$384,614**	**$321,160**	**$383,355**	**$62,195**
Total, Direct Obligations	**$395,847**	**$336,600**	**$399,494**	**$62,894**
Unobligated balance, start of year	(136,148)	(80,301)	(80,301)	
Unobligated balance, end of year	80,301	80,301	80,301	
Recoveries of prior year obligations	---	---	---	
Total requirements	**$340,000**	**$336,600**	**$399,494**	

Notes: The program incorrectly reported the obligations for personnel compensation in MAX in 2006 and in 2007. The revised estimate for personnel compensation in 2006 and in 2007 is $12.048 million.

F. Permanent Positions by Grade

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology

Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	4	4	4	---

GS-15	58	59	59	---
GS-14	31	34	34	---
GS-13	8	6	7	1
GS-12	10	11	10	(1)
GS-11	1	---	---	---
GS-9	2	---	---	---
GS-8	1	1	1	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**115**	**115**	**115**	**---**
Unfilled Positions EOY	16	---	---	---
Total Perm. Employment EOY	99	115	115	---
FTE	**84**	**102**	**102**	**---**
Headquarters	115	115	115	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	**115**	**115**	**115**	**---**
Average ES Salary	$ 180,289	$ 189,303	$ 193,468	$ 4,165
Average GS Salary	$ 126,385	$ 149,824	$ 153,120	$ 3,296
Average GS Grade	15	15	15	

Note: The program incorrectly reported its FY 2005 FTE total in MAX and has revised its amount.

G. Capital Investment and Construction Initiative Listing
United States Visitor and Immigrant Status Indicator Technology

Not Applicable.

H. PPA Budget Justifications

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
PPA-1
Funding Schedule
(Dollars in Thousands)

PPA: US-VISIT		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	8,501	12,048	$ 12,407.00	$ 359
11.3	Other than perm	211	250	275	25
11.5	Other per comp	195	268	295	27
11.8	Spec Srvc Pay	---	---	---	---
12.1	Benefits	2,326	2,874	3,162	288
13.0	Benefits-former	---	---	---	---
21.0	Travel	952	1,020	1,020	---
22.0	Transportation of things	124	128	199	71
23.1	GSA rent	4,499			---
23.2	Other rent	---	4,544	4,544	---
23.3	Communication, Utililities, and misc charges	35	40	40	---
24.0	Printing	---	---	---	---
25.1	Advisory & Assistance Services	---	---		---
25.2	Other Services	356,583	307,637	317,487	9,850
25.3	Purchase from Govt. Accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment				---
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	1,477	969	969	---
31.0	Equipment	20,944	6,822	59,096	52,274
32.0	Land & Structures	---	---	---	---
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, US-VIST IDENT/IAFIS		**$395,847**	**$336,600**	**$399,494**	**$62,894**
Full Time Equivalents		84	102	102	---

Notes: The program incorrectly reported the obligations for personnel compensation in MAX in 2006 and in 2007. The revised estimate for personnel compensation in 2006 and in 2007 is $12.048 million.

PPA Mission Statement

The mission of the United States Visitor and Immigrant Status Indicator Technology Program is to deploy an end-to-end information management on foreign nationals traveling to the United States, covering their interactions with federal officals before they enter, when they enter , while they are in the country, and when they exit. This comprehensive view of border management leads to the creation of a virtual border and sets the course to meet the Program's goals and mission. Implementation also provides the necessary data to perform better analyses of our immigration system, informs policy development and support proactive border management. The Program has established four goals to accomplish its mission: (1) enhance the security of our citizens and visitors, (2) faciliate legitimate travel and trade, (3) ensure the integrity of our immigration system, and (4) protect the privacy of our visitors. The Program is a key component of a multi-layered defense that is integral to domestic security.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$11,233**	**$15,440**	**$16,139**	**$699**

Salaries and benefits includes fiscal year for 102 full time equivalents in direct appropriations. This fiscal year increase is only for the cost of living allowance with zero growth in full time equivalents.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$124**	**$128**	**$199**	**$71**

Transportation of things includes all the related transportation costs and care of such items during transportation, while they are in transit and other incidental costs are that are related to the movement of items from one location to another during the fiscal year.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$356,583**	**$307,637**	**$317,487**	**$9,850**

The fiscal year 2007 budget request is $399,494 million. An increase of $60 million in fiscal year 2007 is requested to continue the transition to 10-print capture and the IDENT/IAFIS interoperability initiative. US-VISIT in conjunction with the Departments of State and Justice will initiate steps in fiscal years 2006 and 2007 to begin planning and implementing the initial capability as well as planning for a long-term implementation. The planning and implementation activities will involve supporting the IDENT / IAFIS interoperability activities, enrolling foreign nationals using 10-Print, enhancing the operational capabilities of IDENT, improving immigration and border management business processes, enhancing technology capabilities, and the deployment of the new technologies while advancing research and development efforts.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$20,944**	**$6,822**	**$59,096**	**$52,274**

Equipment includes all costs for the purchase of personal property of a durable nature or the intial installation of equpment under contract. The Program anticipates to purchase a large number of scanning workstations for Increment 2A, as well as equipment necessary for IDENT/IAFIS interoperability and Increment 2C pilots.

I. Schedule of Working Capital Fund

Department of Homeland Security
United States Visitor and Immigrant Status Indicator Technology
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Headquarters Personnel Compensation	$0	$0	$0	$0
Headquarters Government Wide Service Activity	61	44	42	(2)
Headquarters Fee For Service Activity	4,480	8,388	9,952	1,564
Headquarters DHS Secretary Crosscutting Activity	135	42	43	1
Headquarters WCF Facilitated Direct Costs Activity	10	22	22	---
Headquarters Tri-Bureau Service Activity	---	2,425	2,724	299
Headquarters New Requests	---	201	182	(19)
Investigations - Operations	---	---	---	---
Investigations - Training	---	---	---	---
Intelligence - Headquarters Reporting Center	---	---	---	---
Intelligence - Operations	---	---	---	---
DRO - Custody Management	---	---	---	---
DRO - Case Management	---	---	---	---
DRO - Fugitive Operations	---	---	---	---
DRO - Institutional removal program	---	---	---	---
DRO - Alternatives to detention	---	---	---	---
Component Name	---	---	---	---
Total Working Capital Fund	**$4,686**	**$11,122**	**$12,965**	**$1,843**

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Department of Homeland Security

United States Visitor and Immigrant Status Indicator Technology

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Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

United States Visitor and Immigrant Status Indicator Technology

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A. Mission and Description of the United States Visitor and Immigrant Status Indicator Technology

The Department of Homeland Security's United States Visitor and Immigrant Status Indicator Technology (US-VISIT) Program has established four goals to accomplish its mission: (1) enhance the security of our citizens and visitors, (2) facilitate legitimate travel and trade, (3) ensure the integrity of our immigration system, and (4) protect the privacy of our visitors. The US-VISIT Program is a key component of a multi-layered, multi-agency defense that is integral to domestic security.

The mission of the US-VISIT Program is to collect, maintain, and share information, including biometric identifiers, on foreign nationals to determine whether an individual (1) should be prohibited from entering the United States; (2) can receive, extend, change, or adjust immigration status; (3) has overstayed or otherwise violated the terms of their admission; (4) should be apprehended or detained for law enforcement action; or (5) needs special protection/attention (e.g., refugees).

US-VISIT contributes to the Department of Homeland Security's immigration and border management goals as well as provides our citizens and visitors with a more expeditious and secure process and experience.

B. Major Activities and Key Strategic Issues

In FY 2006, Congress appropriated $336.6 million to US-VISIT to continue ongoing operations including new development and implementation. In FY 2006, specifically, the Program will (1) complete US-VISIT initial operating capability and functionality that meets Congressional requirements at the remaining 104 land border ports of entry by December 31, 2005 (utilizing FY05 funding) (2) deploy equipment and software so that CBP officers can biometrically compare and authenticate travel documents issued by Departments of State and Homeland Security to aliens by October 25, 2005 (utilizing FY05 funding); (3) Working with the State Department, begin the transition to 10 finger scan enrollment in at the direction of DHS Secretary Chertoff. (4) working with the Department of Justice, design and build a prototype—the interim data sharing model—that is a first step towards a fully interoperable environment between the DHS Automated Biometric Identification System (IDENT) and FBI Integrated Automated Fingerprint Identification (IAFIS); (5) develop and begin to deploy e-Passport readers; (6) plan and design new technology architecture; and (7) provide continued operations and maintenance support along with the program management capabilities established.

In FY 2007, the US-VISIT Program will use its resources to:

Increment 2A: United States Travel Documents and e-Passports - This increment provides the deployment of the capability to (1) biometrically compare and authenticate travel documents issued by the Departments of Homeland Security and State to aliens; (2) biometrically compare and authenticate e-Passports (which include an integrated computer chip capable of storing biographic and biometric information) issued by the United States and VWP countries.

In fiscal year 2007, US-VISIT plans to (1) develop a deployment strategy for e-Passport readers that will read both United States and foreign chip-enabled passports while meeting the ICAO

standard; (2) complete execution of test plans to support an international joint live operational test with Visa Waiver Program countries; and (3) issue and award the acquisition of the e-Passport readers, and (4) work to complete the implementation of e-passport readers at designated land and sea ports by October 26, 2006.

Increment 2C: Automated Radio Frequency Identification (RFID) - Land Border Ports of Entry – In Phase One of the initiative, conducted in FY 2005, DHS embedded an RFID tag into Form I-94/A (Arrival/Departure Form for nonimmigrant aliens) and implemented the U.S.-Pedestrian integrated client using pre-positioned RFID traveler information at land border pedestrian primary workstations. During Phase Two development and testing, conducted in fiscal year 2006, DHS will allow for the continued recording of traveler entries and exits, enable vehicle association to traveler identities, trigger updated biographic and biometric watch list checks and provide the results in a person-centric consolidated view to CBP Officers at vehicle primary entry and pedestrian primary inspection. Following Phase Two of the Proof of Concept, DHS will complete a cost benefits analysis, which will incorporate the analysis and evaluation of the results to guide decisions during the later stages of the increment.

Increment 4: 10-Print Capture and (IDENT) and (IAFIS) Interoperability ($60 million) - These funds will be used for the transition to 10-print collection specifically the deployment of 10-Print readers at locations currently using the US-VISIT processing. Additionally, US-VISIT will initiate the implementation of the IDENT/IAFIS interoperability Initial Operating Capability (IOC), the target estimated schedule is the IOC will last 22 months beginning in October, 2006, as well as the planning for the FOC. US-VISIT IOC phase of the IDENT/IAFIS interoperability will build a capability for sharing information to enhance checks beyond the existing watch lists to include information such as the Criminal Master File and the recidivist data.

Fiscal Year 2005 Accomplishments:

- Deployed by December 29, 2004, initial operational biographic and biometric entry functionality in the secondary inspection areas at the 50 largest of land border ports of entry.
- Deployed the ability to read U.S.-issued travel documents by October 26, 2005, at all ports of entry.
- Deployed (using FY 2005 resources) US-VISIT biometric entry capabilities at the remaining 104 land border ports of entry in December, 2005.

Fiscal Year 2006 Accomplishments

- Initiated the process necessary to transition to 10-fingerscan enrollment as announced by Secretary Chertoff.
- Worked with the Department of Justice, design and build a prototype—the interim data sharing model—that is a first step towards a fully interoperable environment between IDENT and IAFIS.
- Developed and deployed e-Passport readers for the Visa Waiver Program (VWP) countries.

US-VISIT faces significant challenges:

- US-VISIT also has many private and public stakeholders including state, local and tribal governments, the private sector, and foreign governments. US-VISIT established a Federal Stakeholders Advisory Board that develops developing the recommendations for improving US-VISIT
- Access to timely, accurate, and common information about individuals who should be denied entry to the United States, including terrorists, criminals, and immigration law violators, is crucial to border decision makers and law enforcement officials. US-VISIT works with other DHS agencies, the Department of Justice, and the intelligence community to collect and share this important information.
- The technical ability to share this information across multiple systems is an important challenge to overcome. The implementation of an Integrated Project Team for the IDENT/IAFIS interoperability effort how US-VISIT and the Department of Justice and help resolve the interoperability problem between IDENT and IAFIS. In addition, US-VISIT is developing a memorandum of understanding on the appropriate, necessary and efficient use and sharing of VISIT information

C. Resources Requested and Performance Impact

The US-VISIT Program requests 115 positions, 102 full time equivalents, and $399.494 million for FY 2007. The total adjustments-to-base is zero FTEs and $62.894 Million to:

(1) Implement the transition to 10-Print and IDENT/IAFIS interoperability efforts – an increase of $60.084 million, and
(2) Fund adjustments to base of $2.810 million for the current 102 full time equivalents and non-labor resources.

D. How US-VISIT and Its Performance Goals Align to and Support the DHS Strategic Plan Objectives.

US-VISIT supports the DHS Strategic Plan Objectives by improving identity and document verification capabilities available to Immigration and Border management stakeholders to further enable them to make timely and accurate risk and eligibility decisions.

DHS Strategic Objective 2.1 – Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity.

DHS Strategic Objective 6.4 - Facilitate the efficient movement of legitimate cargo and people.

E. Performance Based Budget Highlights by Program

Performance Goal: Improve the identity and document verification capabilities available to Immigration and Border Management stakeholders to enable them to make timely and accurate risk and eligibility decisions.					
Measure: Ratio of adverse actions to total biometric watch list hits at ports of entry	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Not Applicable	Not Applicable	33%	36%
	Actual		30	TBD	TBD
Program: US-VISIT	$ Millions	$191,905	$395,847	$336,600	$399,494
	FTE	66	84	102	102

Performance Goal: Improve the identity and document verification capabilities available to Immigration and Border Management stakeholders to enable them to make timely and accurate risk and eligibility decisions.					
Measure: Number of biometric watch list hits for visa applicants processed at consular offices	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Not Applicable	600	800	725
	Actual		897	TBD	TBD
Program: US-VISIT	$ Millions	$191,905	$395,847	$336,600	$399,494
	FTE	66	84	102	102

Performance Goal: Improve the identity and document verification capabilities available to Immigration and Border Management stakeholders to enable them to make timely and accurate risk and eligibility decisions.					
Measure: Number of biometric watch list hits for travelers processed at ports of entry	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Not Applicable	1,925	1,850	1,850
	Actual		2,059	TBD	TBD
Program: US-VISIT	$ Millions	$191,905	$395,847	$336,600	$399,494
	FTE	66	84	102	102

US-VISIT developed these temporary measures to measure performance in the early stages of deployment. The program will undergo a Program Rating Assessment Tool evaluation as part of the FY 2008 Budget process and will improve its measures and its commitment to performance evaluation.

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY2005 Actual		FY2006 Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2006					
							Total Changes		Program Changes		Other Changes	
Budget Activity	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY												
US-VISIT	**84**	**395,847**	**102**	**336,600**	**102**	**399,494**	**0**	**62,894**	**0**	**60,084**	**0**	**2,810**
Subtotal, (All Sources)	**84**	**395,847**	**102**	**336,600**	**102**	**399,494**	**0**	**62,894**	**0**	**60,084**	**0**	**2,810**
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	**84**	**395,847**	**102**	**336,600**	**102**	**399,494**	**0**	**62,894**	**0**	**60,084**	**0**	**2,810**

i. Summary of Budget Estimates by Appropriation

Department of Homeland Security
Federal Emergency Management Agency
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Readiness, Mitigation, Response, and Recovery	881	$240,331	822	$202,017	939	$233,499	117	$31,482	117	$31,186	---	$296
Administrative and Regional Operations	803	202,939	1,032	236,228	1,115	255,499	83	19,271	43	20,754	40	(1,483)
Office of the Under Secretary	22	4,211	---	---	---	---	---	---	---	---	---	---
Public Health Programs	88	134,000	40	33,660	40	33,885	---	225	---	---	---	225
National Flood Mitigation Fund	---	20,000	---	28,000	---	31,000	---	3,000	---	---	---	3,000
National Pre-Disaster Mitigation Fund	---	100,000	15	49,500	55	149,978	40	100,478	40	100,000	---	478
Emergency Food and Shelter	---	153,000	---	151,470	---	151,470	---	---	---	---	---	---
Disaster Relief	5,458	44,265,580	3,493	1,752,300	3,493	1,941,390	---	189,090	---	---	---	189,090
Cerro Grande Fire Claims	2	---	---	---	---	---	---	---	---	---	---	---
Flood Map Modernization Fund	13	200,000	33	198,000	33	198,980	---	980	---	---	---	980
National Flood Insurance Fund	241	2,039,754	270	2,200,208	270	2,330,612	---	130,404	---	---	---	130,404
Disaster Assistance Direct Loan Program Account	3	567	3	753,061	3	569	---	(752,492)	---	---	---	(752,492)
Radiological Emergency Preparedness Program	78	16,912	---	---	---	---	---	---	---	---	---	---
Biodefense Countermeasures	---	2,507,776	---	---	---	---	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	**7,589**	**$49,885,070**	**5,708**	**$5,604,444**	**5,948**	**$5,326,882**	**240**	**($277,562)**	**200**	**$151,940**	**40**	**($429,502)**
Adjustments for Other Funding Sources:	58	(2,077,850)	35	(2,228,208)	22	(2,361,612)	(13)	(133,404)	---	---	(13)	(133,404)
Net, Enacted Appropppriations and Budget Estimates	**7,647**	**$47,807,220**	**5,743**	**$3,376,236**	**5,970**	**$2,965,270**	**227**	**($410,966)**	**200**	**$151,940**	**27**	**($562,906)**

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
Federal Emergency Management Agency
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Readiness, Mitigation, Response, and Recovery	**8**	**$35,000**	**1,056**	**$204,499**	**1,064**	**$249,499**	**10**	**$41,500**	**812**	**$160,437**	**822**	**$202,017**	**17**	**$44,880**	**922**	**$186,618**	**939**	**$231,498**
- Operating Activities	8	35,000	1,048	174,499	1,056	209,499	10	41,500	804	140,697	814	182,217	17	44,880	914	168,802	931	213,682
- Urban Search and Rescue Teams	---	---	8	30,000	8	30,000	---	---	8	19,800	8	19,800	---	---	8	17,817	8	17,817
Administrative and Regional Operations	**117**	**63,315**	**741**	**139,624**	**858**	**202,939**	**139**	**62,432**	**893**	**173,796**	**1,032**	**236,228**	**139**	**63,314**	**976**	**192,485**	**1,115**	**255,499**
- Administrative and Regional Operations	72	33,684	699	130,255	771	163,939	94	22,651	851	164,787	945	187,438	94	22,965	934	143,294	1,028	166,259
- Defense Function	45	29,631	42	9,369	87	38,906	45	39,781	42	9,009	87	48,790	45	40,949	42	9,191	87	49,240
Office of the Under Secretary Public Health Programs - National Disaster Medical System	**40**	**34,000**	**---**	**100,000**	**40**	**134,000**	**40**	**33,660**	**---**	**---**	**40**	**33,660**	**40**	**33,985**	**---**	**---**	**40**	**33,985**
National Pre-Disaster Mitigation Fund	---	---	**55**	**100,000**	**55**	**100,000**	---	---	**15**	**49,500**	**15**	**49,500**	---	---	**55**	**149,978**	**55**	**149,978**
Emergency Food and Shelter	---	---	---	**153,000**	---	**153,000**	---	---	---	**151,470**	---	**151,470**	---	---	---	**151,470**	---	**151,470**
Disaster Relief	---	---	**2,190**	**68,427,380**	**2,190**	**68,427,380**	---	---	**3,493**	**1,752,380**	**3,493**	**1,752,380**	---	---	**3,493**	**1,941,390**	**3,493**	**1,941,390**
Cerro Grande Fire Claim	---	---	**5**	---	**5**	---	---	---	---	---	---	---	---	---	---	---	---	---
Flood Map Modernization Fund	---	---	**33**	**200,000**	**33**	**200,000**	---	---	**33**	**198,000**	**33**	**198,000**	---	---	**33**	**198,980**	**33**	**198,980**
Direct Assistance Disaster Loan Program Account	---	---	**3**	**567**	**3**	**567**	---	---	**3**	**751,061**	**3**	**751,061**	---	---	**3**	**569**	**3**	**569**
- Limitation on Direct Loans - Subsidy	---	---	---	---	---	---	---	---	---	**750,000**	---	**750,000**	---	---	---	---	---	---
- Administrative Expenses	---	---	**3**	**567**	**3**	**567**	---	---	**3**	**1,061**	**3**	**1,061**	---	---	**3**	**569**	**3**	**569**
Biodefense Countermeasures	---	**2,567,776**	---	---	---	**2,567,776**	---	---	---	---	---	---	---	---	---	---	---	---
Total Direct Appropriations and Budget Estimates	**165**	**$2,640,091**	**4,209**	**$69,329,281**	**4,374**	**$71,969,372**	**189**	**$137,672**	**5,249**	**$3,230,544**	**5,438**	**$3,374,216**	**196**	**$141,779**	**5,482**	**$2,823,491**	**5,678**	**$2,965,270**
Fee Accounts	---	---	**361**	**(1,184)**	**361**	**(1,184)**	---	---	**276**	---	**276**	---	---	---	**276**	---	**276**	---
National Flood Mitigation Fund	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
- National Flood Mitigation Fund	---	---	---	**20,000**	---	**20,000**	---	---	---	**20,000**	---	**20,000**	---	---	---	**31,000**	---	**31,000**
- Offsetting Collections	---	---	---	**(20,000)**	---	**(20,000)**	---	---	---	**(20,000)**	---	**(20,000)**	---	---	---	**(31,000)**	---	**(31,000)**
National Flood Insurance Fund	---	---	**271**	---	**271**	---	---	---	**270**	---	**270**	---	---	---	**270**	---	**270**	---
- Salaries and Expenses	---	---	**271**	**53,336**	**271**	**53,336**	---	---	**270**	**56,496**	**270**	**56,496**	---	---	**270**	**58,270**	**270**	**58,270**
- Flood Mitigation	---	---	---	**59,257**	---	**59,257**	---	---	---	**59,358**	---	**59,358**	---	---	---	**59,358**	---	**59,358**
- Severe Repetitive Loss Mitigation	---	---	---	---	---	---	---	---	---	**40,000**	---	**40,000**	---	---	---	**40,000**	---	**40,000**
- Repetitive Loss Mitigation	---	---	---	---	---	---	---	---	---	**10,000**	---	**10,000**	---	---	---	**10,000**	---	**10,000**
- Mandatory	---	---	---	**1,950,251**	---	**1,950,251**	---	---	---	**2,054,354**	---	**2,054,354**	---	---	---	**2,184,024**	---	**2,184,024**
- Offsetting Collections - Discretionary	---	---	---	**(92,591)**	---	**(92,591)**	---	---	---	**(93,854)**	---	**(93,854)**	---	---	---	**(97,588)**	---	**(97,588)**
- Offsetting Collections - Mandatory	---	---	---	**(1,950,251)**	---	**(1,950,251)**	---	---	---	**(2,104,354)**	---	**(2,104,354)**	---	---	---	**(2,243,024)**	---	**(2,243,024)**
Radiological Emergency Preparedness Program	---	---	**90**	**(1,184)**	**90**	**(1,184)**	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Changes:
FY 2005 changes in Non-Homeland Security result from supplemental funding in Disaster Relief and an appropriation transfer in Public Health Programs
FY 2006 reflects enacted levels and FY 2006 supplemental

iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Federal Emergency Management Agency

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Conference Report 109-241, page 74, directs the Secretary, through FEMA, to issue new inspection guidelines that prohibit inspectors from entering into a contract for the sale of any house or household item he or she inspected for the purpose of determining eligibility for assistance from FEMA. Guidelines are to be issued not later than 90 days after enactment of FY 2006 appropriations for DHS. Target response is due to the Committees on January 16, 2006. General Provisions delete the Senate Bill HR 2360 EAS, page 77, requirement. This report was submitted to the Committees on January 26, 2006.

2. Conference Report 109-241, page 74, Crisis Counseling - In order to ensure that first responders continue to receive mental health and other services, the conferees direct FEMA to provide a report on the transition of these services from Federal to city administration by February 10, 2006.

3. House Report 109-79, page 95, directs FEMA to provide a report on the percentage of flood maps updated, not merely transferred to a digital format, and the percentage of population that the updated maps cover. Due date was revised in Conference to February 10, 2006.

4. House Report 109-79, page 92, directs FEMA to provide a report on the impact of a second consecutive year under a hiring freeze on emergency preparedness, mitigation, response, and recovery efforts. The report should include what steps FEMA has taken to ensure the costs are budgeted for in fiscal year 2007. Due date was revised in Conference to February 10, 2006.

5. Conference Report 109-241, page 74, directs the Secretary, through FEMA, to submit to the Committees on Appropriations a report describing any changes to Federal emergency preparedness and response policies and practices as a result of the Inspector General's report (OIG–05–20) related to Hurricane Frances, and relating to FEMA's individual and household program in Miami-Dade County, Florida, in response to Hurricane Frances. Target response is due to the Committees on Appropriations by February 10, 2006. General provisions delete the requirement in Senate Bill HR 2360 EAS, page 76, to provide the report to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives not later than 60 days after enactment of FY 2006 appropriations for DHS.

6. House Report 109-79, page 91, directs FEMA to provide a report on the status of: the demonstration program studying the use of public television digital broadcasting technology to provide secure, time-sensitive communications for Federal, State

iii. Status of Congressionally Requested Studies and Reports (continued)

7. and local governments; the pilot study for issuing public warnings using a system that is similar to the AMBER Alert communications network; and the overall status of upgrading the Nation's emergency communication system, including milestones and timelines. Due date was revised in Conference to February 10, 2006.

8. Senate Report 109-83, page 78, directs the Department to provide a report on the impediments to timely obligations of Pre-Disaster Mitigation Grant funds, with recommendations for how to remedy the situation, and an inventory of outstanding grant applications by fiscal year. Due date was revised in Conference to February 10, 2006.

8. Conference Report 109-241, page 72, and Senate Report 109-83, page 73, direct the Secretary to provide a report on the total costs in fiscal years 2005, 2006, and proposed for 2007 to operate and train the 28 Urban Search and Rescue (US&R) teams, the cost to maintain the first equipment cache, the cost to maintain the second equipment cache, the cost to replace expiring drugs, the costs to replace/repair equipment that has been used in training or actual disasters, and all other costs of the program. The report should include State, local, and Federal costs and an assessment of the appropriate share for each level of government. Due date was revised in Conference to February 10, 2006. This subsumes the requirement in House Report 109-79, page 91, directing FEMA to provide a report on the interoperability of the national US&R teams and Federal communications with States and locals during an incident.

9. Conference Report 109-241, page 74, and House Report 109-79, page 94, direct FEMA to provide a report on overpayments made and recovered for the major disaster declarations of the past 4 years. The report should include analysis of additional safeguards that may be employed to prevent overpayments. Target response is due to the Committees on June 1, 2006.

General Provisions delete the Senate Bill HR 2360 EAS, page 58, requirement directing the Secretary, through the Director of FEMA, to provide a report containing: (1) a detailed list that describes (as of the date of enactment of this Act) all associated costs (as determined by the Secretary) incurred by New York City, the State of New York, and any other entity or organization established by New York City or the State of New York, as a result of the September 11, 2001, terrorist attacks, that were paid using funds made available to Congress; (2) the amounts of funds made available after the September 11, 2001, terrorist attacks that remain unexpended as of the date of enactment of this Act; and, (3) a detailed description of any plans for expenditure or obligation of those unexpended funds.

General Provisions delete the Senate Bill HR 2360 EAS, page 77, requirement directing the Secretary to conduct a study of the feasibility of leveraging existing FM broadcast radio infrastructure to provide a first alert, encrypted, multi-point emergency messaging system for emergency response using proven technology.

iii. Status of Congressionally Requested Studies and Reports (continued)

10. Conference Report 109-359, page 434, directs FEMA to provide to the House and Senate Committee on Appropriations a spend plan for the amount transferred to the National Disaster Medical System to support medical care, as authorized by Public Law 107-188. The spend plan is to include the amounts obligated and expended as of the date of the report, the methods used for allocating funds,and the rules established regarding the expenses eligible for payment from this appropriation. Target response is due to the Committees on February 28, 2006.

11. Conference Report 109-359, page 434, directs FEMA to notify the House and Senate Committee on Appropriations when a community disaster loan has been awarded, not later than 15 days after the award. Such notification shall include the amount of the loan, a brief assessment of the borrower's financial position, the reasons for the necessity of the loan, and a description of the essential services to be provided through the loan. Target response due dates will vary.

12. Conference Report 109-359, page 434, directs the Director of FEMA to issue guidance within 2 weeks of the date of enactment of this act (Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006) used to determine continued eligibility for housing assistance under the section 408 program. Such guidance shall include the extension of assistance if the recipient is unable to afford local housing at the Fair Market Rent level. Target date for issuance of guidelines is January 13, 2006.

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iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Federal Emergency Management Agency
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Readiness, Mitigation, Response, and Recovery				**$233,499**
- Operating Activities				213,682
- Urban Search and Rescue Teams				19,817
Authorities:				
National Flood Insurance Act of 1968, as amended (42 U.S.C. 4001 et seq.)	2008	N/A	N/A	
Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)	N/A	N/A	N/A	
Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.)	2008	$9,400	N/A	
Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.)	2008	such sums	N/A	
National Security Act of 1947, as amended (50 U.S.C. 404, 405, 411)	N/A	N/A	N/A	
Homeland Security Act of 2002 (6 U.S.C. 101 et seq.)	N/A	N/A	N/A	
Administrative and Regional Operations				**255,499**
- Administrative and Regional Operations				206,259
- Defense Function				49,240
Authorities:				
National Flood Insurance Act of 1968, as amended (42 U.S.C. 4001 et seq.)	2008	N/A	N/A	
Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)	N/A	N/A	N/A	
Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.)	2008	9,400	N/A	
Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.)	2008	such sums	N/A	
National Security Act of 1947, as amended (50 U.S.C. 404, 405, 411)	N/A	N/A	N/A	
Homeland Security Act of 2002 (6 U.S.C. 101 et seq.)	N/A	N/A	N/A	
Public Health Programs - National Disaster Medical System				**33,885**
Authorities:				
Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (P.L. 107-188)	2006	such sums	33,660	

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Federal Emergency Management Agency
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
National Pre-Disaster Mitigation Fund				**149,978**
Authorities:				
Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5133)	2008	N/A	N/A	
Emergency Food and Shelter				**151,470**
Authorities:				
Title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.)	1994	N/A	130,000	
Disaster Relief				**1,941,390**
Authorities:				
Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)	N/A	N/A	N/A	
Cerro Grande Fire Claims				---
Authorities:				
Cerro Grande Fire Assistance Act (P.L. 106-246; 114 Stat. 583)	N/A	N/A	N/A	
Flood Map Modernization Fund				**198,980**
Authorities:				
National Flood Insurance Act of 1968, as amended (42 U.S.C. 4011 et seq.)	2008	N/A	N/A	
Direct Assistance Disaster Loan Program Account				**569**
Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5162)	N/A	N/A	N/A	
Section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)	N/A	N/A	N/A	
Total Direct Authorization/Appropriation				**2,965,270**

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Federal Emergency Management Agency
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Fee Accounts				
National Flood Insurance Fund				
- Salaries and Expenses				38,230
- Severe Repetitive Loss Mitigation	2009	40,000	N/A	40,000
- Repetitive Loss Mitigation	2008	10,000	N/A	10,000
- Flood Mitigation				59,358
- Offsetting Collections - Discretionary				(97,588)
- Mandatory				2,183,024
- Offsetting Collections - Mandatory				(2,233,024)
Authorities: *National Flood Insurance Act of 1968, as amended (42 U.S.C. 4001 et seq.)*	2008	N/A	N/A	
National Flood Mitigation Fund				---
- National Flood Mitigation Fund				31,000
- Offsetting Collections - Discretionary				(31,000)
National Flood Insurance Act of 1968, as amended (42 U.S.C. 4001 et seq.)	2008	N/A	N/A	

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Department of Homeland Security

Federal Emergency Management Agency

Administrative and Regional Operations

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
ADMINISTRATIVE AND REGIONAL OPERATIONS

I. Appropriation Overview

A. Mission Statement for Administrative and Regional Operations (ARO): Funding for ARO supports all of FEMA's programs. ARO supports the Office of the Director of FEMA and its managers by coordinating effectively between Headquarters and Regional Offices all policy, managerial, resource, and administrative actions; maintains programs to address public information issues; and builds partnerships with and among State and local governments, nongovernmental organizations, business, and industry.

B. Budget Activities:

FEMA provides critical information to the public, to the media, and to the emergency management community regarding disaster response activities and awareness and readiness measures. ARO activity includes administrative and programmatic expenses for staff support to accomplish emergency readiness responsibilities, to assist in the management of disaster response and the deployment of medical, mortuary, and specialty teams, and to mobilize the National Disaster Medical System (NDMS) when necessary. Regional Operations ensures that FEMA policies, programs, and administrative and management guidance are implemented in the Regions in a manner consistent with the Department's overall goals. Also included in ARO are FEMA's intergovernmental and international outreach; information technology services; the Office of National Security Coordination; and financial, human resources, acquisition, and facilities management.

C. Budget Request Summary:

The FEMA FY 2007 request for its ARO functions is 1,117 positions, 1,115 FTE, and $255,499,000. Adjustments to base total 40 FTE and -$1,483,000. The program increases include 45 positions, 43 FTE, and $20,754,000 to:

- Strengthen the essential support functions upon which FEMA's five programs (Readiness, Mitigation, Response, Recovery, and National Security) rely to carry out critical mission activities, and to address deferred maintenance of capital facilities and equipment; and upgrades of software and IT equipment. (4 positions, 2 FTE, and $11,414,000)

- Increase FEMA's procurement capacity, and thereby enhance FEMA's ability to process procurement requests during both routine and extraordinary operating periods, ensuring effective delivery of services for disaster response and recovery and effective, efficient, and proper procurement and contracting (41 positions, 41 FTE, and $5,000,000)

- Assess FEMA's internal controls as related to conformance with the requirements of the DHS Financial Accountability Act (0 positions, 0 FTE, and $1,000,000)

- Make capital improvements at the Federal Regional Centers (FRCs), addressing basic maintenance and repairs associated with safety and operational viability such as asbestos abatement, HVAC repairs, electrical panel replacement, etc. (0 positions, 0 FTE, and $1,540,000)

- Convert 22 of FEMA's National Security program term positions, supported by supplemental funding due to expire in FY 2007, to permanent positions, thereby aiding FEMA in fulfilling its role as the lead agent for COG, COOP, and contingency programs. (0 positions, 0 FTE, and $1,800,000)

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Administrative and Regional Operations	763	$163,939	980	$187,438	1,063	$206,259	83	$18,821	43	20,754	40	($1,933)
Defense Function	40	39,000	52	48,790	52	49,240	---	450	---	---	---	450
Subtotal, Enacted Appropriations and Budget Estimates	**803**	**$202,939**	**1,032**	**$236,228**	**1,115**	**$255,499**	**83**	**$19,271**	**43**	**$20,754**	**40**	**($1,483)**
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**803**	**$202,939**	**1,032**	**$236,228**	**1,115**	**$255,499**	**83**	**$19,271**	**43**	**$20,754**	**40**	**($1,483)**

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II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Office of the Under Secretary
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Office of the Under Secretary	22	$4,211	---	---	---	---	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	**22**	**$4,211**	---	---	---	---	---	---	---	---	---	---
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**22**	**$4,211**	---	---	---	---	---	---	---	---	---	---

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Administrative and Regional Operations
Program Performance Justification
(Dollars in thousands)

PPA: ADMINISTRATIVE AND REGIONAL OPERATIONS (ARO)

	Perm Pos	FTE	Amount
2005 Actual	**944**	**763**	**163,939**
2006 Revised Enacted	**1,020**	**980**	**187,438**
2007 Adjustments to Base	0	40	(1,933)
2007 Current Services	**1,020**	**1,020**	**185,505**
2007 Program Change	45	43	20,754
2007 Request	**1,065**	**1,063**	**206,259**
Total Change 2006-2007	45	83	19,271

FEMA requests $206.259 million for this activity. This is an increase of $19.271 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

ARO provides support to all of FEMA's programs. ARO also supports the Director of FEMA and his managers by effectively coordinating between Headquarters and Regional Offices all policy, managerial, resource, and administrative actions; maintains programs to address public information issues; and builds partnerships with and among State and local governments, nongovernmental organizations, business, and industry.

FEMA provides critical information to the public, to the media, and to the emergency management community regarding disaster response activities and awareness and readiness measures. ARO activity includes administrative and programmatic expenses for staff support to accomplish emergency readiness responsibilities, to assist in the management of disaster response and the deployment of medical, mortuary, and specialty teams, and to mobilize the NDMS when necessary. Regional Operations ensures that FEMA policies, programs, and administrative and management guidance are implemented in the Regions in a manner consistent with the Department's overall goals. Also included in this activity are FEMA's intergovernmental and international outreach; information technology services; and financial, human resources, acquisition, and facilities management.

The FY 2006 supplemental provided funding to support 80 positions and 40 FTE to ensure proper controls over the expenditure and management of funds appropriated for Hurricanes Katrina and Rita response and recovery. These resources are being used to establish a Gulf Region Acquisition Center and to increase finance and budget staff at FEMA to optimize efficiency, oversight, and internal controls over FEMA's management of emergency supplemental appropriations. While the supplemental funding was a one-time increase, albeit no-year funding, the FY 2007 base includes

$10.7 million to support 80 FTE to continue this initiative to provide financial and procurement integrity for not only the hurricanes of 2005, but also for future events.

The Office of National Security Coordination (ONSC) provides Executive Agent leadership for Federal Government Continuity of Operations (COOP), Continuity of Government (COG), and National Contingency Programs that support enduring constitutional government. In 2007, ONSC will accomplish the following:

- Coordinate DHS policy, guidance, and positions on national security matters in coordination with the Homeland Security Council and other elements of the Federal Executive Branch

- Implement, manage, and provide coordination for all COOP/COG programs and activities

- Perform annual maintenance of COOP/COG plans, devolution plans, and multi-year strategic program management plans

- Maintain, update, and implement test, training, and exercise programs for COOP/COG capability

- Ensure that national security programs remain current and relevant to evolving threats, incorporating new missions, methods, and technologies

- Develop, coordinate, implement, and administer all contingency programs supporting national security responsibilities

- Serve as the White House's Executive Agent for the national-level Emergency Alert System (EAS) and the DHS program manager for the Integrated Public Alert & Warning System.

The EAS uses commercial radio and television broadcast services to send Presidential messages to the American people when catastrophic events occur and other national communications resources have been damaged or compromised. Funding initially realized in the FY 2006 supplemental for EAS upgrades has become part of the base. In FY 2007, $5.0 million will be used to improve system coverage, reliability, survivability, and security by providing a two-way, national-level EAS satellite backbone/path that will effectively link all Federal, State, and U.S. Territory Emergency Operations Centers.

PPA: DEFENSE FUNCTION

	Perm Pos	FTE	Amount
2005 Actual	**52**	**40**	**39,000**
2006 Revised Enacted	**52**	**52**	**48,790**
2007 Adjustments to Base	0	0	450
2007 Current Services	**52**	**52**	**49,240**
2007 Program Change	0	0	0
2007 Request	**52**	**52**	**49,240**
Total Change 2006-2007	0	0	450

FEMA requests $49.24 million for this activity. This is an increase of $.45 million over FY 2006.

FEMA's defense-related programs support its National security mission, including information technology support.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Administrative and Regional Operations
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Strengthening Operational Capability

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.
Objective: 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Strategic Goal 4: Lead, manage and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.
Objective: 4.1 Reduce the loss of life and property by strengthening nationwide response readiness.
Objective: 4.2 Provide scalable and robust all-hazard response capability.

Strategic Goal 5: Lead national, state, local and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies.
Objective: 5.1 Strengthen nationwide recovery plans and capabilities.
Objective: 5.2 Provide scalable and robust all-hazard recovery assistance

PPA: Administrative and Regional Operations

Program Increase: Positions 4 FTE 2 Dollars $11,414

Funding Profile

Note: FY 2005 figures are approximations due to adjustments for 2SR.

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							1,020	1,020	$185,505
Program Increase							4	2	11,414
Total Request	**940**	**760**	**$159,635**	**1,020**	**980**	**$187,438**	**1,024**	**1,022**	**196,919**

Description of Item

Funding for this request will be devoted to strengthening the essential support functions upon which FEMA's five programs (Readiness, Mitigation, Response, Recovery, and National Security) rely to carry out critical mission activities. The FTE and basic infrastructure and IT performance are essential to ensure FEMA is able to perform its core missions effectively in the future, especially during periods of strenuous operations when core capability and staffing are stretched to meet extraordinary demands. The funds requested also will help cover required expansions of Federally mandated programs, including equal employment opportunity continuing education, implementation of the No-Fear Act, and programs that support the President's Management Agenda, such as full implementation of cyber security requirements. The requested funds will provide resources for other costs that support DHS initiatives, SmartCard Program implementation, contributions for e-Gov, and Working Capital Fund contributions. This funding also will allow FEMA to meet anticipated rate hikes and inflationary increases in utilities, fuel costs, phone services, wage rate determinations, rental payments to GSA-leased facilities, transit subsidies, and security guard services.

Justification

This funding is specifically intended to reinforce FEMA's operating budget. Although FEMA's 2005 budget may appear to be large, less than $450 million of the total funding has any flexibility for execution. The great majority of FEMA's budget is appropriated for specific purposes and cannot be reprogrammed to cover transfers from its base operating budget. In FY 2005, over $2 billion was the regular annual appropriation to the DRF; $2.5 billion was to fund Biodefense Countermeasures; over $2 billion represented fee-supported programs--mainly the National Flood Insurance Program (NFIP); and $487 million represented other specific programs such as NFIP, Map Modernization, Emergency Food and Shelter, and various mitigation programs. The remaining discretionary funds, approximately $450 million, included fixed costs such as rent, security, and salaries and benefits.

Approximately 50 percent of FEMA's workforce is eligible to retire in the next 5 years, which will create a large number of vacancies. It is extremely important that FEMA be able to fill all of its vacancies in order to maintain essential mission skills and capabilities among its workforce. Moreover, FEMA needs to have sufficient resources for other items such as information technology, safety programs, and uncontrollable cost increases, such as rent, so that vacancies are not left unfilled in order to fund these other necessary expenses. Deferring maintenance leads to continued deterioration of FEMA's facilities and other capital assets and simply increases costs at a later date when emergency repairs must be made.

The funding will be used specifically for the following:

- Information Technology and Information Security (2 FTE and $3,065,000)

FEMA's information technology systems provide FEMA with the necessary tools to do their jobs every day. FEMA's web site provides a wealth of information from how people can prepare for disasters to how they can get disaster assistance. Information systems are also critical for collecting and analyzing data from disaster victims so that they can get the help that they need as expeditiously as possible. So that these critical systems can continue to function, FEMA needs to protect both its internal and external networks to monitor, detect, and prevent security breaches. In addition, both staff and funding are needed to develop and maintain FEMA's Enterprise Architecture. Finally, FEMA needs an automated recruitment and staffing system. The Office of Personnel Management's goal that agencies post a vacancy announcement and make a tentative job offer within 45 days is not achievable

without an automated system. Automation is the only answer for an agency that could be called upon to hire thousands of people within a very short time period in order to meet mission critical needs.

- Uncontrollable Cost Increases ($2,620,000)

Costs for GSA rent are expected to increase an estimated $1.9 million over the FY 2006 level. An estimated 3 percent increase in both regional and headquarters transit subsidies will result in a cost increase of $415,000. If FEMA were to absorb these cost increases within the base, it would result in deferred maintenance and/or reduced hiring ability for critical staff.

FEMA estimates that tariffs for both long distance and local phone service will increase by $305,000. To fund these tariff increases within the base would make it difficult to maintain current bandwidth between permanent sites and make repairs when telephone switches break. The resulting slower network and telephone service degradations would hamper FEMA employees' ability to respond to disasters and to the public.

- Equal Rights Travel and Training ($340,000)

Both the Equal Employment Opportunity Commission's (EEOC) management Directive 715 and the No-Fear Act establish continuing education requirements in order to prevent discrimination and improve management's ability to resolve complaints early. FEMA does not have sufficient funds within its base to meet these requirements.

- Safety and Security ($4,387,000)

Protecting FEMA's employees allows them to perform their jobs that are so important to protecting the lives and property of the Nation's citizens without the distraction of worrying about their personal safety. Since September 11, increased costs for security guards at FEMA facilities have drained funds away from other FEMA programs. This budget request will also provide funding for critical infrastructure protection at 13 Agency facilities to protect both the facilities and employees form a broad spectrum of threats.

- Repair and Maintenance Needs ($1,002,000)

Deferring repair and maintenance at FEMA owned facilities results in decreased productivity, lowered employee morale, and degraded safety conditions. This requested increase would correct deficiencies at Mobile Emergency Response System (MERS) facilities in both Maynard, MA and Denton, TX.

Impact on Performance (Relationship of Increase to Strategic Goals)
Without the requested funding, FEMA's baseline support functions will erode, directly impacting the ability of FEMA's five programs to fulfill the strategic goals and objectives previously noted. Over time, the erosion of infrastructure will impact the performance of FEMA's mission programs. Funding for this request will improve FEMA's essential support functions and will address the maintenance needs of capital facilities and equipment; upgrades of software and IT equipment; and provide travel and training funds. FEMA faces declines in program performance if additional operational funding is not provided.

Program Increase 2: Enhancement of Procurement Capacity

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.
Objective: 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Strategic Goal 4: Lead, manage and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.
Objective: 4.1 Reduce the loss of life and property by strengthening nationwide response readiness.
Objective: 4.2 Provide scalable and robust all-hazard response capability.

Strategic Goal 5: Lead national, state, local and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies.
Objective: 5.1 Strengthen nationwide recovery plans and capabilities.
Objective: 5.2 Provide scalable and robust all-hazard recovery assistance

PPA: Administrative and Regional Operations

Program Increase: Positions 41 FTE 41 Dollars $5,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							115	115	$11,296
Program Increase							41	41	5,000
Total Request	**55**	**55**	**$8,400**	**115**	**85**	**$12,334**	**156**	**156**	**16,296**

Description of Item
Funding is requested for 41 positions/FTE to enhance the workload capacity of FEMA's procurement staff.

Justification
DHS has identified Department-wide performance gaps in its procurement processes and is working to strengthen procurement capability across the board. The General Accounting Office (GAO Report GAO-05-179) and the Acting Inspector General (Memorandum to the Secretary of May 2, 2005) noted substantial inadequacies and imbalances in the number of contracting professionals throughout the Department. Specifically, FEMA was cited as one of four components at grave risk for fraud, waste, and abuse based on the inadequate numbers of contracting personnel available to meet mission requirements.

FEMA currently has 115 positions for procurement of which 60 were realized in the FY 2006 supplemental and are slated for the Gulf Region Acquisition Center. The workload for this staff during even routine operations is excessive. In addition, FEMA's missions require an expanded procurement capacity whenever a disaster strikes to provide responsive procurement and contracting services to meet disaster response and recovery requirements. Last year's four hurricanes, and this year's Hurricanes Katrina and Rita have stretched FEMA's procurement capability to the breaking point. Additional staffing is required to prevent FEMA's inability to perform its mission during disaster operations, to prevent fraud, waste, and abuse, and to ensure legal and regulatory requirements are met.

Impact on Performance (Relationship of Increase to Strategic Goals)
Funding for this request will enhance FEMA's ability to process procurement requests during both routine and extraordinary operating periods, ensuring effective delivery of services for disaster response and recovery and effective, efficient, and proper procurement and contracting actions.

Program Increase 3: Internal Controls Audit

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.
Objective: 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Strategic Goal 4: Lead, manage and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.
Objective: 4.1 Reduce the loss of life and property by strengthening nationwide response readiness.
Objective: 4.2 Provide scalable and robust all-hazard response capability.

Strategic Goal 5: Lead national, state, local and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies.
Objective: 5.1 Strengthen nationwide recovery plans and capabilities.
Objective: 5.2 Provide scalable and robust all-hazard recovery assistance

PPA: Administrative and Regional Operations

Program Increase: Positions 0 FTE 0 Dollars $1,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	$1,000
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,000**

Description of Item
Funding would be used to comply with the internal control provisions of the DHS Financial Accountability Act (Public Law 108-330).

Justification
On October 16, 2004, the President signed into law the DHS Financial Accountability Act. The Act requires the Secretary of Homeland Security to include in the Performance and Accountability Report an audit opinion on the Department's internal controls over financial reporting. The requirements for internal control reporting and audit impose significant management challenges and resource demands on the Department and its components. To comply with the Act, the Department's components must develop documentation, perform test work, and support remediation efforts to transform legacy internal control structures to an integrated internal control framework. A clean audit opinion is a top priority of the Department.

Impact on Performance (Relationship of Increase to Strategic Goals)
The funding requested will allow for assessment of FEMA's internal controls as related to conformance with the requirements of the DHS Financial Accountability Act.

Program Increase 4: Federal Regional Centers Capital Improvements

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.
Objective: 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Strategic Goal 4: Lead, manage and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.
Objective: 4.1 Reduce the loss of life and property by strengthening nationwide response readiness.
Objective: 4.2 Provide scalable and robust all-hazard response capability.

Strategic Goal 5: Lead national, state, local and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies.
Objective: 5.1 Strengthen nationwide recovery plans and capabilities.
Objective: 5.2 Provide scalable and robust all-hazard recovery assistance.

PPA: Administrative and Regional Operations

Program Increase: Positions 0 FTE 0 Dollars $1,540

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	$1,540
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,540**

Description of Item
Constructed during the 1960s, the Federal Regional Centers (FRCs) were designed to be self-sufficient, self-contained facilities capable of operating independently of the public infrastructure for extended periods. They are equipped with specialized subsystems for essential operations, and are currently used for a variety of purposes to include: FEMA National Radio System communications systems, which provides support to DHS, to FEMA's National Security program, to the Integrated Wireless Network, and to local/regional governmental agencies; Continuity of Operations (COOP) sites; Regional Response Coordination Centers; conference centers; and administrative/office space.

Justification
The FRCs provide locations that are totally self-sufficient and equipped with subsystems for essential operations. Enhanced communications systems at these sites, such as FEMA's National Radio System and the Integrated Wireless Network, provide essential communications capabilities that help to ensure enduring constitutional government.

DHS has committed the FRCs to support many emergency readiness programs, including the Integrated Wireless Network. A recent study found that the requirements for large external antennas and high altitude electromagnetic pulse-hardened, secure facilities could not be reproduced economically, and therefore, because the FRCs provide critical communications support, commercial space was not a viable option to replace the FRCs. The FRCs provide the security or protection needed that can't be duplicated at commercial sites. Upgrading and maintaining these facilities is therefore the best option and in the best interest of the Department and its Federal partners.

FEMA's facilities budget has been directed to support rent and security costs, leaving insufficient funds to address regular repairs and maintenance needs. Funds are available only through reprogramming on an emergency basis. The requested funding will be used to address basic maintenance and repairs associated with safety and operational viability such as asbestos abatement, HVAC repairs, electrical panel replacement, etc.

By having self-sufficient sites with enhanced systems and communications capability available, the ability exists to provide a secure environment for government operations during or in response to a coordinated terrorist attack or an attack using weapons of mass effect.

Impact on Performance (Relationship of Increase to Strategic Goals)
Funding will allow the FRCs to continue to provide the capabilities they now support. FRCs provide a well-integrated COOP site and Regional Response Coordination Centers for two regions, meeting the requirements of the National Response Plan and Federal Preparedness Circular - 65. FRCs also provide qualified sites for a variety of communications support to DHS, FEMA's National Security

program, the Integrated Wireless Network, and others. One of the sites is owned by FEMA and the other may be acquired by FEMA due to future base realignment and closure actions. Because of the capabilities already in place, these sites provide significantly more cost-effective work sites than GSA can provide. Based on operational necessity, these facilities will remain active. FEMA will need to complete the health, safety, and operational upgrades this request seeks, in order to sustain the FRCs' viability.

Program Increase 5: Conversion of National Security Term Positions to Permanent Positions

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.

PPA: Administrative and Regional Operations

Program Increase: Positions 0 FTE 0 Dollars $1,800

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	$1,800
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,800**

Description of Item
The requested funding will be used to convert 22 of FEMA's National Security program term positions, supported by supplemental funding due to expire in FY 2007, to permanent positions. As a result of new and expanded mission requirements since the events of 9/11, these positions have become critical to FEMA's responsibility to serve as Executive Agent for COOP and COG, as directed in PDD-67.

Conversion of these positions from term to permanent will aid FEMA in fulfilling its role as the lead agent for COG, COOP, and Contingency Programs. These 22 positions will continue to support vital program activities in FEMA's National Security program, including direct support to the Homeland Security Council's COOP coordination activities; enhanced COOP and COG communications support and training; outreach communications support and training for COOP and COG; outreach to Federal departments and agencies in all 10 FEMA Regions; increased COOP readiness, training, and exercises; and classified COG operational support.

Justification

Since the events of 9/11, the Executive Office of the President, the National Security Council, and the Homeland Security Council have placed greater leadership demands on FEMA's National Security program, resulting in increased and expanded mission requirements. With supplemental funding provided by Congress, the National Security program has used personnel in term positions in order to accomplish its COOP and COG missions. These positions have bridged the gap in personnel coverage resulting from the increased requirements, and have been critical in ensuring FEMA's ability to fulfill its role in guaranteeing the survival of an enduring constitutional government.

The total cost for salaries and benefits for these positions is $2.5 million annually. The $.9 million in remaining supplemental funding will be applied toward these positions in FY 2007. An additional $1.8 million is requested to provide full funding for the 22 FTE. FEMA is unable to absorb the salary and benefits costs necessary to convert these term positions to permanent positions. Without funding for these positions, FEMA will not have adequate personnel to carry out its assigned duties and responsibilities as required by Presidential Decision Directive-67 and other Executive Orders.

Impact on Performance (Relationship of Increase to Strategic Goals)
The conversion of the 22 term positions to full-time, permanent positions will enhance the capability of FEMA's National Security program to accomplish its assigned missions, both operational and program oversight, as assigned by the White House following 9/11. These permanent full-time positions will help reduce vulnerabilities to government facilities by providing the necessary manpower to plan, train, coordinate, and execute COOP and COG programs - both classified and unclassified - designed to ensure the uninterrupted delivery of emergency services and essential functions.

This funding will significantly contribute to performance by providing FEMA's National Security program with the manpower necessary to provide assistance to the Federal departments and agencies in carrying out their national security emergency readiness responsibilities; to issue guidance for agencies to use in developing viable, executable COOP plans; and, to lead, oversee, and assess the status of our constitutional form of government to ensure its survivability.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Administrative and Regional Operations
Appropriation Language

For necessary expenses for administrative and regional operations, **[**$221,240,000**]*$255,499,000,*** including activities authorized by the National Flood Insurance Act of 1968 **[**(42 U.S.C. 4001 et seq.)**]*, as amended,*** the Robert T. Stafford Disaster Relief and Emergency Assistance Act, **[**(42 U.S.C. 5121 et seq.)**]** the Earthquake Hazards Reduction Act of 1977 **[**(42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.)**]**, the Defense Production Act of 1950 **[**(50 U.S.C. App. 2061 et seq.)**]**, sections 107 and 303 of the National Security Act of 1947 **[**(50 U.S.C. 404, 405)**]**, Reorganization Plan No. 3 of 1978 **[**(5 U.S.C. App.)**]**, and the Homeland Security Act of 2002 **[**(6 U.S.C. 101 et seq.)**]**: *Provided,* That not to exceed $3,000 shall be for official reception and representation expenses. *(42 U.S.C. 4001 et seq., 5121 et seq., 7701 et seq.; 50 U.S.C. 404, 405, 411, 2061 et seq.; 5 U.S.C. App;. 6 U.S.C. 101 et seq.; Department of Homeland Security Appropriations Act, 2006.)*

[For an additional amount for "Administrative and Regional Operations" for necessary expenses related to hurricanes and other natural disasters, $17,200,000, to remain available until expended: *Provided,* That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.**]** *(Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)*

Explanation of Changes:

Language related to the FY 2006 supplemental following hurricanes in the Gulf of Mexico is deleted.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Administrative and Regional Operations
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**996**	**803**	**202,939**
2006 Revised Enacted	**1,072**	**1,032**	**236,228**
Adjustments to Base			
Increases			
Annualization of Integrity Initiative	---	40	10,700
Annualization of Emergency Alert System upgrade	---	---	5,000
2007 pay increase	---	---	2,289
Non-pay inflation excluding GSA Rent	---	---	2,728
Total Increases	---	40	20,717
Decreases			
Termination of one-time costs:			
FY 2006 Supplemental Appropriation	---	---	(17,200)
Document digitization	---	---	(5,000)
Total Decreases	---	---	(22,200)
Total Adjustments to Base	---	**40**	**(1,483)**
2007 Current Services	**1,072**	**1,072**	**234,745**
Program Changes			
Program Increases (Decreases)			
Strengthening operational capability	4	2	11,414
Enhancement of procurement capacity	41	41	5,000
Internal controls audit	---	---	1,000
Federal Regional Center Capital improvements	---	---	1,540
Conversion of National Security term positions to permanent	---	---	1,800
Total Program Changes	**45**	**43**	**20,754**
Adjustment for Other Funding Sources	---	---	---
2007 Request	**1,117**	**1,115**	**255,499**
2006 to 2007 Total Change	**45**	**83**	**19,271**

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Office of the Under Secretary
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	22	22	4,211
2006 Revised Enacted	---	---	---
Adjustments to Base			
Increases			
Total Increases	---	---	---
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	---	---	---
2007 Current Services	---	---	---
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	---
2007 Request	---	---	---
2006 to 2007 Total Change	---	---	---

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	996	803	$202,939
2006 Revised Enacted	1,072	1,032	236,228
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	40	20,717
Decreases	---	---	(22,200)
Total Adjustments to Base	---	40	(1,483)
2007 Current Services	1,072	1,072	234,745
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	45	43	20,754
2007 Total Request	1,117	1,115	255,499
2006 to 2007 Total Change	45	83	19,271

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Administrative and Regional Operations	1,072	980	$187,438	---	40	($1,933)	45	43	$20,754	1,117	1,063	$206,259	45	83	$18,821
2 Defense Function	---	52	48,790	---	---	450	---	---	---	---	52	49,240	---	---	450
Total	1,072	1,032	$236,228	---	40	($1,483)	45	43	$20,754	1,117	1,115	$255,499	45	83	$19,271

Note:

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C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Office of the Under Secretary
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	22	22	$4,211
2006 Revised Enacted	---	---	---
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	---
Decreases	---	---	---
Total Adjustments to Base	---	---	---
2007 Current Services	---	---	---
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	---	---	---
2006 to 2007 Total Change	---	---	---

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Office of the Under Secretary	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Note: Funds were last appropriated to this account in FY 2005.

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D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations (excludes Office of the Director)
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual*			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
U.S. Agency for International Development			$87			$600				---	---	(600)
U. S. Department of Justice			84			---				---	---	---
U. S. Department of Homeland Security (DHS) - Immigration and Customs Enforcement			8,146			10,000				---	---	(10,000)
DHS - Infrastructure Analysis and Infrastructure Protection Directorate			8,834			8,850				---	---	(8,850)
DHS - Customs and Border Protection			428			1,025				---	---	(1,025)
DHS - Office of Procurement Operations and Office of the Chief Information Officer (OCIO)			174			200				---	---	(200)
DHS - Office of the Inspector General			1,317			1,200				---	---	(1,200)
DHS - Office of State and Local Government Coordination and Preparedness (SLGCP)and Office for Business Administration			763							---	---	---
DHS - OCIO			2,697			2,700				---	---	(2,700)
Emergency Management Policy, Canada			1							---	---	---
DHS - SLGCP and Office for Domestic Preparedness (ODP)			749							---	---	---
DHS - SLGCP			---			1,000				---	---	(1,000)
DHS - ODP			---			750				---	---	(750)
DHS - Science and Technology Directorate			365			1,880				---	---	(1,880)
Miscellaneous - non-DHS			---			---			1,000	---	---	1,000
Total Budgetary Resources	---	---	**23,645**	---	---	**28,205**	---	---	**1,000**	---	---	**(27,205)**

Obligations by Program/Project Activity	2005 Actual*			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Administrative and Regional Operations			$23,645			$28,205			$1,000	---	---	(27,205)
Total Obligations	---	---	**23,645**	---	---	**28,205**	---	---	**1,000**	---	---	**(27,205)**

*Based on obligations. Actual collections totaled $15.009 million.

Explanation of Increase/Decrease.
Administrative and Regional Operations: The budget assumes that FEMA will not be receiving reimbursable agreements from DHS in 2007.

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D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Office of the Under Secretary
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$64,668	$81,868	$88,508	$6,640
11.3 Other than full-time permanent	1,252	5,805	5,241	(564)
11.5 Other personnel compensation	1,849	3,021	3,415	394
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	18,272	28,562	28,299	(263)
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$86,041**	**$119,256**	**$125,463**	**$6,207**
Other Object Classes:				
21.0 Travel and transportation of persons	1,915	2,810	3,222	412
22.0 Transportation of things	292	779	779	---
23.1 Rental payments to GSA	16,304	18,400	20,592	2,192
23.2 Rental payments to others	230	1,480	1,960	480
23.3 Communications, utilities, & misc. charges	5,113	4,143	4,691	548
24.0 Printing and reproduction	164	397	397	---
25.1 Advisory and assistance services	11,437	5,620	5,620	---
25.2 Other services	55,261	39,100	43,589	4,489
25.3 Purchases of goods & svcs. from Gov't accounts	7,825	19,501	21,410	1,909
25.4 Operation and maintenance of facilities	2,237	228	1,228	1,000
25.5 Research and development contracts	15	290	290	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	235	1,341	1,441	100
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	2,213	2,699	2,705	6
31.0 Equipment	4,852	9,091	9,486	395
32.0 Land and structures	91	12,958	13,398	440
41.0 Grants, subsidies, and contributions	691	135	135	---
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$108,875**	**$118,972**	**$130,943**	**$11,971**
Total, Direct Obligations	**$194,916**	**$238,228**	**$256,406**	**$18,178**
Unobligated balance, start of year	(4,751)	(2,907)	(907)	2,000
Unobligated balance, end of year	2,907	907	---	(907)
Unobligated balance expiring	9,894	---	---	---
Recoveries of prior year obligations	(27)	---	---	---
Total Requirements	**$202,939**	**$236,228**	**$255,499**	**$19,271**

Note: Includes obligations, carryover, and recoveries shown in Operating Expenses in the President's Budget

E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Office of the Under Secretary
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$2,013	---	---	---
11.3 Other than full-time permanent	---	---	---	---
11.5 Other personnel compensation	83	---	---	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	442	---	---	---
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$2,538**	---	---	---
Other Object Classes:				
21.0 Travel and transportation of persons	200	---	---	---
22.0 Transportation of things	---	---	---	---
23.1 Rental payments to GSA	---	---	---	---
23.2 Rental payments to others	---	---	---	---
23.3 Communications, utilities, & misc. charges	---	---	---	---
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services	---	---	---	---
25.2 Other services	428	---	---	---
25.3 Purchases of goods & svcs. from Gov't accounts	---	---	---	---
25.4 Operation and maintenance of facilities	---	---	---	---
25.5 Research and development contracts	10	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	---	---	---	---
31.0 Equipment	100	---	---	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	---	---	---	---
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$738**	---	---	---
Total, Direct Obligations	**$3,276**	---	---	---
Unobligated balance expiring	935	---	---	---
Total Requirements	**$4,211**	---	---	---

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	25	25	25	---
Total, EX	---	---	---	---
	---	---	---	
GS-15	109	113	115	2
GS-14	182	185	187	2
GS-13	232	246	282	36
GS-12	183	199	203	4
GS-11	73	93	89	(4)
GS-10	1	1	1	---
GS-9	83	103	112	9
GS-8	14	14	14	---
GS-7	43	43	39	(4)
GS-6	16	15	15	---
GS-5	16	16	16	---
GS-4	15	15	15	---
GS-3	2	2	2	---
GS-2	2	2	2	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**996**	**1,072**	**1,117**	**45**
Unfilled Positions EOY	214	---	---	---
Total Perm. Employment EOY	782	1,072	1,117	45
FTE	**803**	**1,032**	**1,115**	**83**
Headquarters	752	768	803	35
U.S. Field	242	302	312	10
Foreign Field	2	2	2	---
Total Permanent Positions	**996**	**1,072**	**1,117**	**45**
Average ES Salary	$143,469	$146,772	$150,001	$3,229
Average GS Salary	$79,756	$79,952	$81,711	$1,759
Average GS Grade	11.96	11.92	11.97	0.04

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Office of the Under Secretary
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	5	---	---	---
Total, EX	1	---	---	---
GS-15	5	---	---	---
GS-14	---	---	---	---
GS-13	5	---	---	---
GS-12	1	---	---	---
GS-11	2	---	---	---
GS-10	---	---	---	---
GS-9	2	---	---	---
GS-8	---	---	---	---
GS-7	1	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**22**	---	---	---
Unfilled Positions EOY	3	---	---	---
Total Perm. Employment EOY	19	---	---	---
FTE	**22**	---	---	---
Headquarters	22	---	---	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	**22**	---	---	---
Average ES Salary	$141,405	$---	$---	$---
Average GS Salary	$78,727	$---	$---	$---
Average GS Grade	12.44	---	---	---

G. Capital Investment and Construction Initiative Listing

FEDERAL EMERGENCY MANAGEMENT AGENCY
ADMINISTRATIVE AND REGIONAL OPERATIONS

INITIATIVE NAME	FY 2007 FUNDING REQUEST $(000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
None	$0	$0	$0	Not applicable	Not applicable
Total Non-IT Investments $5 million or more	$0	$0	$0		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$0	$0	$0		
Total of IT Investments	$3,516	$0	$3,516		
Total all IT and Non-IT Investments	$3,516	$0	$3,516		

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G. Capital Investment and Construction Initiative Listing						
FEDERAL EMERGENCY MANAGEMENT AGENCY						
OFFICE OF THE UNDER SECRETARY FOR EMERGENCY PREPAREDNESS AND RESPONSE						
Not applicable						

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations
PPA: Administrative and Regional Operations
Funding Schedule
(Dollars in Thousands)

PPA: Administrative and Regional Operations		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$59,376	$75,454	$81,953	$6,499
11.3	Other than perm	1,252	5,805	5,241	(564)
11.5	Other per comp	1,390	2,571	2,965	394
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	16,946	26,959	26,661	(298)
13.0	Benefits-former	---	---	---	---
21.0	Travel	1,492	2,385	2,797	412
22.0	Transportation of things	292	779	779	---
23.1	GSA rent	16,101	18,197	20,389	2,192
23.2	Other rent	230	1,480	1,960	480
23.3	Communications, utilities, and misc charges	5,113	1,143	1,691	548
24.0	Printing	156	387	387	---
25.1	Advisory & assistance services	2,110	500	500	---
25.2	Other services	36,248	16,965	21,180	4,215
25.3	Purchases from Govt. accts.	7,296	11,621	13,530	1,909
25.4	Operation & maintenance of facilities	2,229	228	1,228	1,000
25.5	Research & development	15	290	290	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	235	1,341	1,441	100
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	2,172	2,649	2,655	6
31.0	Equipment	3,618	7,591	7,986	395
32.0	Land & structures	91	12,958	13,398	440
41.0	Grants/subsidies/contributions	691	135	135	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, ARO - Admin. & Regional Operations		**$157,053**	**$189,438**	**$207,166**	**$17,728**
Full Time Equivalents		763	980	1,063	83

PPA Mission Statement

Funding for Administrative and Regional Operations (ARO) supports all of FEMA's programs. ARO supports the Office of the Director of FEMA and its managers by coordinating effectively between Headquarters and Regional Offices all policy, managerial, resource, and administrative actions; maintains programs to address public information issues; and builds partnerships with and among State and local governments, nongovernmental organizations, business, and industry.

The FY 2007 request will strengthen the essential support functions upon which FEMA's five programs (Readiness, Mitigation, Response, Recovery, and National Security) rely to carry out critical mission activities; address maintenance needs of capital facilities and equipment; upgrade software and IT equipment; increase FEMA's procurement capacity; annualize the integrity initiative funded initially in the FY 2006 supplemental (P.L. 109-148); assess FEMA's internal controls as related to conformance with the requirements of the DHS Financial Accountability Act; make capital improvements at the Federal Regional Centers (FRCs); and convert 22 of FEMA's National Security program term positions (initially supported by supplemental funding in FY 2002 which isestimated to run out early in FY 2007) to permanent positions, thereby aiding FEMA in fulfilling its role as the lead agent for COG, COOP, and contingency programs.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	**$78,964**	**$110,789**	**$116,820**	**$6,031**

Salaries and Benefits include costs for 763 FTEs. The FY 2007 request includes a net increase of $6,031,000: increases of $2,113,000 for the proposed January 2007 2.2 percent pay raise, $200,000 to fund 2 FTE to manage contractor support for Enterprise Architecture, $415,000 for transit subsidy increases, $1,690,000 to convert National Security term positions to full-time permanent, $4,016,000 to increase FEMA's procurement capacity, and $9,020,000 to annualize the integrity initiative funded from the FY 2006 supplemental partially offset by decreases of $10,780,000 in funding provided by the FY 2006 supplemental and $643.000 associated with carryover funds obligated in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	**$1,492**	**$2,385**	**$2,797**	**$412**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a net increase of $412,000: increases of $10,000 for the Enterprise Architecture support staff, $100,000 for equal rights training, $110,000 to convert National Security term positions to full-time permanent, $82,000 to increase FEMA's procurement capacity, and $320,000 to annualize the integrity initiative funded from the FY 2006 supplemental partially offset by decreases of $160,000 in funding provided by the FY 2006 supplemental and $50,000 associated with carryover funds obligated in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	**$292**	**$779**	**$779**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	**$16,101**	**$18,197**	**$20,389**	**$2,192**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a net increase of $2,192,000: increases of $1,900,000 related to inflation and $492,000 for space for additional procurement staff, partially offset by $200,000 associated with carryover funds obligated in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other rent	**$230**	**$1,480**	**$1,960**	**$480**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes a net increase of $480,000: an increase of $960,000 to annualize the integrity initiative funded from the FY 2006 supplemental partially offset by a decrease of $480,000 in funding provided by the FY 2006 supplemental.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	**$5,113**	**$1,143**	**$1,691**	**$548**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a net increase of $548,000: increases of $305,000 for local and long distance tariff increases, $123,000 to support the procurement initiative, and $240,000 to annualize the integrity initiative funded from the FY 2006 supplemental partially offset by a decrease of $120,000 in funding provided by the FY 2006 supplemental.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	**$156**	**$387**	**$387**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	**$2,110**	**$500**	**$500**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$36,248**	**$16,965**	**$21,180**	**$4,215**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a net increases of $4,215,000: increases of $2,254,000 in non-pay inflation; $6,161,000 for IT, equal rights training, security, and an automated recruitment & staffing system, all of which are long-delayed initiatives that will improve operational capability; and $1,000,000 to assess FEMA's internal controls as related to conformance with the requirements of the DHS Financial Accountability Act, partially offset by decreases of $5,000,000 for document digitization and $200,000 associated with carryover funds obligated in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$7,296**	**$11,621**	**$13,530**	**$1,909**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $1,909,000: $200,000 in non-pay inflation and $1,709,000 in guard service costs that have been absorbed since 2002 and have resulted in delayed purchases of supplies, equipment, and necessary maintenance.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of facilities	**$2,229**	**$228**	**$1,228**	**$1,000**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $1,000,000 for FRC upgrades.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Research and development	**$15**	**$290**	**$290**	**$0**

Research and Development includes costs for contracts for the conduct of basic and applied research and development. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of equipment	**$235**	**$1,341**	**$1,441**	**$100**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $100,000 to improve operational capability.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$2,172**	**$2,649**	**$2,655**	**$6**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes a net increase of $6,000: increases of $4,000 for the Enterprise Architecture support staff, $82,000 to increase FEMA's procurement capacity, and $80,000 to annualize the integrity initiative funded from the FY 2006 supplemental partially offset by a decrease of $160,000 in funding provided by the FY 2006 supplemental.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$3,618**	**$7,591**	**$7,986**	**$395**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a net increase of $395,000: increases of $10,000 for the Enterprise Architecture support staff, $500,000 to improve FEMA's security and IT systems, $205,000 to increase FEMA's procurement capacity, $100,000 for FRC upgrades, $5,000,000 for Emergency Alert System (EAS) upgrades, and $80,000 to annualize the integrity initiative funded from the FY 2006 supplemental partially offset by decreases of $400,000 in integrity initiative funding and $5,100,000 for EAS upgrades, both of which were provided by the FY 2006 supplemental.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Land & structures	**$91**	**$12,958**	**$13,398**	**$440**

Land and structures include the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $440,000 for FRC upgrades.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$691**	**$135**	**$135**	**$0**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations
PPA: Defense Function
Funding Schedule
(Dollars in Thousands)

PPA: Defense Function		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$5,292	$6,414	$6,555	$141
11.3	Other than perm	---	---	---	---
11.5	Other per comp	459	450	450	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	1,326	1,603	1,638	35
13.0	Benefits-former	---	---	---	---
21.0	Travel	423	425	425	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	203	203	203	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	3,000	3,000	---
24.0	Printing	8	10	10	---
25.1	Advisory & assistance services	9,327	5,120	5,120	---
25.2	Other services	19,013	22,135	22,409	274
25.3	Purchases from Govt. accts.	529	7,880	7,880	---
25.4	Operation & maintenance of facilities	8	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	41	50	50	---
31.0	Equipment	1,234	1,500	1,500	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	---	---	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, ARO - Defense Function		**$37,863**	**$48,790**	**$49,240**	**$450**
Full Time Equivalents		40	52	52	---

PPA Mission Statement

FEMA's defense-related programs support its National security mission, including information technology support. The request for FY 2007 includes increases related to pay and non-pay inflation only

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	$7,077	$8,467	$8,643	$176

Salaries and Benefits include costs for 52 FTEs. The FY 2007 request includes an increase of $176,000 for the proposed January 2007 2.2 percent pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	$423	$425	$425	$0

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	$203	$203	$203	$0

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	$0	$3,000	$3,000	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	$8	$10	$10	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	**$9,327**	**$5,120**	**$5,120**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$19,013**	**$22,135**	**$22,409**	**$274**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $274,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$529**	**$7,880**	**$7,880**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of facilities	**$8**	**$0**	**$0**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$41**	**$50**	**$50**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$1,234**	**$1,500**	**$1,500**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request is the same as the FY 2006 level.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Office of the Under Secretary
PPA: Office of the Under Secretary
Funding Schedule
(Dollars in Thousands)

PPA: Office of the Under Secretary		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$2,013	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	83	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	442	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	200	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	428	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	10	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	100	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	---	---	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, US - Office of the Under Secretary		**$3,276**	**$0**	**$0**	**$0**
Full Time Equivalents		22	---	---	---

PPA Mission Statement

Funds provided by this appropriation supported the activities of the Under Secretary for Emergency Preparedness and Response. Under the recent realignment of the Department of Homeland Security, the position of Under Secretary for Emergency Preparedness and Response no long exists; instead FEMA is managed by a Director. Beginning in FY 2006, funding for the Director's Office is included under the Administrative and Regional Operations appropriation.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	$2,538	$0	$0	$0

Salaries and Benefits are no longer requested for this account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
	$200	$0	$0	$0

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. In FY 2007, funds are not requested for this account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	$428	$0	$0	$0

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. In FY 2007, funds are not requested for this account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Research and development	$10	$0	$0	$0

Research and Development includes costs for contracts for the conduct of basic and applied research and development. In FY 2007, funds are not requested for this account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	$100	$0	$0	$0

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. In FY 2007, funds are not requested for this account.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Administrative and Regional Operations
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Administrative and Regional Operations	$4,825	$1,767	$1,863	$96
Defense Functions	---	---	---	---
Total Working Capital Fund	**$4,825**	**$1,767**	**$1,863**	**$96**

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Office of the Under Secretary
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Office of the Under Secretary	$13	---	---	---
Total Working Capital Fund	**$13**	---	---	---

Department of Homeland Security

Federal Emergency Management Agency

Readiness, Mitigation, Response, and Recovery

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENTAGENCY (FEMA)
READINESS, MITIGATION, RESPONSE, AND RECOVERY

I. Appropriation Overview

A. Mission Statement for Readiness, Mitigation, Response, and Recovery (RMRR): Funding for Readiness, Mitigation, Response, and Recovery provides for the development and maintenance of an integrated, nationwide capability to prepare for, to mitigate against, to respond to, and to recover from the consequences of major disasters and emergencies, regardless of cause, in partnership with other Federal agencies, State, local, and Tribal governments, volunteer organizations, and the private sector.

B. Budget Activities:

The Readiness Program works with the Response and Recovery Divisions to ensure operational readiness for disasters of all kinds, regardless of cause. Readiness also coordinates and brokers agency and interagency planning initiatives in support of operational response and recovery objectives for the National Response Plan (NRP) and for the National Incident Management System (NIMS). Readiness operates and directs the NIMS Integration Center (NIC), which is the Executive Agent for the NRP. Readiness plays a critical role in coordinating the various components of the NRP and ensures that the NRP remains linked to, and based upon, the NIMS.

The Mitigation Program's intent is to strengthen mitigation nationwide to reduce the Nation's risk to natural disasters or other emergencies, and to facilitate adoption and enforcement of up-to-date design and construction practices through State and local building codes. Mitigation funding supports activities that result in sound risk management decisions by individuals, private and public sector entities, State, local, and Tribal governments, and Federal agencies. The Mitigation Division's programs are accomplished through three core activities: risk identification and assessment, risk reduction, and insurance against flood risk. These core activities work in tandem to create safer communities by reducing the loss of life and property, to enable individuals to recover more rapidly from floods and other disasters, and to lessen the financial impact on the U. S. Treasury, States, and local and Tribal communities.

FEMA's Response Program represents the core Federal response capability to save lives and to protect property in communities throughout the U. S. that have been overwhelmed by the impact of a major disaster or an emergency, including an act of terrorism and the use of weapons of mass effect (WME).

Response Program activities encompass coordination of all Federal emergency management response operations and response planning and logistics programs, and integration of Federal, State, Tribal, and local response programs to ensure efficient and effective delivery of immediate emergency assistance to individuals and communities impacted by major disasters or emergencies, including acts of terrorism, as well as incidents involving WME.

The Recovery Program works to ensure that individuals and communities affected by disasters of all sizes, including those caused by terrorism, are able to return to normal function with minimal suffering and disruption of services.

C. Budget Request Summary:

The FEMA FY 2007 request for its RMRR functions is 946 positions, 939 FTE, and $239,499,000. Adjustments to base total 0 FTE and $296,000. The program increases include 34 positions, 117 FTE, and $31,186,000 to:

- Strengthen FEMA's response, recovery, readiness, and mitigation functions by providing sufficient funds to fill vacant positions; address maintenance needs and life cycle replacement for equipment for FEMA's Mobile Emergency Response System (MERS); upgrade equipment in FEMA's National and regional response coordination centers; and provide for travel and training. (0 positions, 90 FTE, and $17,586,000)

- Cover costs that directly result from FEMA's participation in National Special Security Event (NSSE) operations, as well as other special events designated by the Secret Service, the Federal Bureau of Investigation, and the Homeland Security Special Events Interagency Working Group (0 positions, 0 FTE, and $1,300,000)

- Identify and initiate improvements and revisions to components of the NRP, and identify the resources necessary and their availability for mission-based operations during incidents of national significance or Presidentially declared disasters or emergencies (14 positions, 7 FTE, and $5,300,000)

- Manage pre-positioned equipment program assets slated to be transferred in FY 2006 within FEMA's logistic program (20 positions, 20 FTE, and $7,000,000).

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Readiness Mitigation, Response, and Recovery
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Operating Activities	874	$210,331	814	$182,217	931	$213,682	117	$31,465	117	$31,186	---	$279
Urban Search and Rescue Teams	7	30,000	8	19,800	8	19,817	---	17	---	---	---	17
Subtotal, Enacted Appropriations and Budget Estimates	**881**	**$240,331**	**822**	**$202,017**	**939**	**$233,499**	**117**	**$31,482**	**117**	**$31,186**	**---**	**$296**
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**881**	**$240,331**	**822**	**$202,017**	**939**	**$233,499**	**117**	**$31,482**	**117**	**$31,186**	**—**	**$296**

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
Program Performance Justification
(Dollars in thousands)

PPA: OPERATING ACTIVITIES

	Perm Pos	FTE	Amount
2005 Actual	**1,013**	**874**	**$210,331**
2006 Revised Enacted	**904**	**814**	**182,217**
2007 Adjustments to Base	0	0	279
2007 Current Services	**904**	**814**	**182,496**
2007 Program Change	34	117	31,186
2007 Request	**938**	**931**	**213,682**
Total Change 2006-2007	34	117	31,465

FEMA requests $213.682 million for this activity. This is an increase of $31.465 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Readiness: FEMA's Readiness Division works with the Response and Recovery Divisions to ensure operational readiness for disasters of all kinds, regardless of cause. Readiness also coordinates and brokers agency and interagency planning initiatives in support of operational response and recovery objectives for the NRP and for the NIMS. Readiness operates and directs the NIC, which is the Executive Agent for the NRP. Readiness plays a critical role in coordinating the various components of the NRP and ensures that the NRP remains linked to, and based upon, the NIMS.

In FY 2006, FEMA's Emergency Management Institute (EMI) will develop, deliver, and evaluate the effectiveness and the impact of national-level training programs in the areas of risk management and emergency response using a diverse training delivery system that includes residential onsite training; offsite delivery in partnership with emergency management training systems, colleges, and universities; and technology-based mediums to conduct individual training courses for emergency response personnel across the Nation. EMI directly supports the implementation of NIMS and NRP. EMI training targets a diverse audience, including the FEMA disaster workforce and other partners involved in disaster operations.

In FY 2006, the NIC will maintain and continually refine the NIMS and its components over the long term. The NIC will provide the central activity to ensure that the NIMS is a continuously improving system of response that unites all responders in the United States through common organizations, common terminology for resources, and interoperable equipment and communications. These activities will be constantly evaluated and improved based on lessons learned and on the evolution of technology and protocols as directed in Homeland Security Presidential Directive (HSPD)-5. The NIC will begin to develop and to deliver a national mutual aid and resource management system that includes first responder and emergency worker credentialing based on national standards, that supports

the NIMS, and that allows Federal, State, and local governments to order and to track response resources quickly and effectively.

In 2007, FEMA's Readiness Division expects to:

- Continue to develop, deliver, and evaluate the effectiveness and the impact of EMI's national-level training programs

- Continue to integrate the NRP and the NIMS into Federal response operations through the NRP/NIMS/Incident Command System (ICS) Integration element, which coordinates closely with Federal response teams, other Federal agency partners, and emergency support functions. Readiness also will work with Response to integrate the ICS into all existing and newly formed Federal response teams to ensure that proper protocols and consistent team operations are followed in every disaster response operation. Readiness will continue its outreach to Federal response agencies and to State and local counterparts to ensure connectivity and synchronization under NIMS. FEMA also will continue to conduct ICS training for Federal response teams to acclimate them to the NIMS doctrine, and will continue to update printed manuals, materials, and functional documents to reflect NIMS protocols, and to ensure baseline skills capability for all teams under the NIMS system through an integrated ICS/NIMS training regimen. The new NIMS environment requires synchronization of many operational concepts within a divergent body of teams from within DHS and the interagency community to allow full NIMS integration. Implementing this standard will allow FEMA greater ability to test, to evaluate, and to ensure that all team members will remain well-versed in standard doctrine.

- Support emergency management readiness planning, resources management, and capability enhancements through operation of a comprehensive technical assistance program delivered through FEMA regional offices

- Under the auspices of HSPD - 5, continue to develop and to implement standards and performance criteria and guidelines in support of NRP and NIMS

- Develop and implement a Remedial Action Management Program (RAMP) to support implementation and improvement of FEMA's operational response and recovery efforts

- Continue to improve and to enhance the RAMP process, both internally and with Federal, State, Tribal, and local partners participating in response-focused exercises and responding to actual incidents

- Coordinate FEMA participation in, and support of, homeland security exercises sponsored by external organizations; plan, prepare, conduct, and evaluate internal FEMA exercise activities; coordinate Federal department and agency participation in exercises at the national and regional levels, incorporating the NRP and the NIMS

- Continue to identify and to implement requirements for the matrix organization to accomplish FEMA's response and recovery mission and to address a comprehensive emergency management program

- Establish the NRP Steering Committee (NRPSC) to serve as a point of contact for NRP signatory agencies and organizations. The committee, through three subcommittees, will provide a forum to develop supporting plans and procedures, will ensure a comprehensive NRP training curriculum, and will coordinate evaluation of the NRP.

NIMS Integration Center (NIC)

- Through a standardized credentialing initiative, establish a comprehensive system of effective classification for all response personnel and for the entire disaster workforce. Credentialing ensures that all teams and response staff are properly trained for optimum response readiness and professional capability. This initiative will bring the Federal response elements into compliance with NIMS and ICS. Response activities and exercises will be evaluated, as will be team performance and capabilities. Remedial actions and future development will be linked and determinations on budget requests and planning will be based on performance and the achievement of goals.

- Manage the National Mutual Aid and Resource Management Initiative, particularly in support of NIMS, focusing on conducting an inventory of Federal, State, Territorial, and local resources as well as the continued phased rollout of an automated resource management and tracking system

- Continue to identify and to share at the Federal level innovative and successful emergency management-related lessons learned and smart practices for DHS/FEMA and their operational NRP partners to improve emergency management capabilities throughout the Federal government; increase scope and frequency of publication and distribution; perform analyses of smart practices implementation; continue to develop a Federal-specific module;

- Support and integrate NRP, NIMS, and ICS to achieve the highest level of readiness and operational capability within DHS and in other agencies that have homeland security responsibilities

- Evaluate NRP in conformance with baseline requirements

- Revise and maintain the NRP based on lessons learned from disaster response operations

In FY 2007, FEMA's Readiness Division will support the President's *National Strategy for Homeland Security* through the continued development and implementation of a single NRP/NIMS to be accomplished by: mandatory use of a common ICS/Unified Command System; team member credentialing; and development and fielding of advanced support technology to incident command and response operations. The NIMS will eventually be capable of meeting:

- Mission requirements according to established standards

- Evaluation standards determined through a systematic testing and exercise program that will evaluate 75 percent of Federal response teams by FY 2007

In order to meet these objectives, FEMA will continue to set and to achieve milestones that are required to build a fully mission-capable NRP and to lay the foundation for an effective and efficient NRP that is designed to meet and is capable of meeting the needs of communities throughout the U.S. that are overwhelmed by major disasters, emergencies, or acts of terrorism. Cost efficiencies will

continue to be realized by the elimination of duplicative and overlapping functions, the streamlining of operations, and improved linkages among Federal responders.

Mitigation: The Mitigation Division's programs work to change conditions and behavior to prevent potential disaster losses, and are accomplished through three core activities: risk identification and assessment, risk reduction, and insurance against flood risk. These core activities work in tandem to:

- Create safer communities by reducing the loss of life and property
- Enable individuals to recover more rapidly from floods and other disasters
- Lessen the financial impact on the U. S. Treasury, States, and local and Tribal communities

The Mitigation Program's intent is to strengthen mitigation nationwide to reduce the Nation's risk to natural disasters or other emergencies, and to facilitate adoption and enforcement of up-to-date design and construction practices through State and local building codes. Mitigation funding supports activities that result in sound risk management decisions by individuals, private and public sector entities, State, local, and Tribal governments, and Federal agencies.

FY 2007 base resources will be used to:

- Provide training and technical assistance for State and local officials
- Implement approved performance metrics for the National Earthquake Hazards Reduction Program (NEHRP)
- Provide technical assistance to enable State and local planners to implement approved performance metrics for NEHRP
- Continue the development of building design guidance (physical security, lifelines, critical infrastructure), addressing man-made hazards for use by design professionals and the public
- Provide grants for mitigation and measure grant funding to enable communities to reduce more effectively and efficiently their losses from future disasters
- Continue the development of tools and data to document losses avoided through successful mitigation activities
- Enhance the benchmarking capability of State and local partners by including additional elements such as maps, photographs, and losses avoided studies in the web-delivered tool for accessing Mitigation Best Practices
- Develop a strategic decision-making tool for meeting training needs that will focus on increasing State and local capabilities for effective delivery of Mitigation programs

Response: FEMA's Response Program consists of five sub-programs that represent its main mission areas - Response Direction, Command, and Control; Specialized Response Teams; Logistics; Response

Planning; and Health and Medical Response. The Response Program represents the core Federal response capability to save lives and to protect property in communities throughout the U. S. that have been overwhelmed by the impact of a major disaster or an emergency, including an act of terrorism and the use of WME.

Response Program activities encompass:

- Coordination of all Federal emergency management response operations and response planning and logistics programs

- Integration of Federal, State, Tribal, and local response programs to ensure efficient and effective delivery of immediate emergency assistance to individuals and communities impacted by major disasters or emergencies, including acts of terrorism, as well as incidents involving WME

Each of the elements of the Response Program represents a key component of the Federal Government's ability to conduct effective and efficient response operations and directly contributes to the successful implementation of the NRP and the NIMS as established in HSPD-5.

In FY 2007, FEMA's Response Division will support the President's *National Strategy for Homeland Security* through the continued development and implementation of a single NRP/NIMS to be accomplished by development and fielding of advanced support to incident command and response support management to include assured secure and nonsecure interoperable communications, automatic data processing systems, and Geographic Information System (GIS) capabilities to provide a distributed, real-time, common view of incident response. The NIMS will eventually be capable of meeting:

- Reduced average response times for all Response Program teams from 48 hours to 36 hours to ensure the maximum capability to save lives and to protect property

- Expanded medical and hospital capacity to respond to large-scale patient evacuations and mass care, including contaminations. In FY 2007, 25 percent of National Disaster Medical System (NDMS) teams will be trained and exercised in large-scale patient and mass casualty evacuations.

- All major disaster and emergency requirements, including acts of terrorism and catastrophic disasters that exceed State and local capabilities

Response Direction, Command, and Control

Operations Centers are the central coordination elements for all Federal response teams. The operations centers consist of the National Response Coordination Center (NRCC), the 24-hour FEMA Watch Team, the FEMA Operations Center, and others. These operations centers coordinate the collection and dissemination of information from disaster operations, from field teams, and from other sources on current situations.

Disaster Workforce Management coordinates the deployment, tracking, and credentialing of all response teams. The Disaster Workforce Management function is also responsible for integration of NDMS teams into the rest of the disaster workforce, tracking teams as they deploy to the field and to

disaster support facilities. Every team that is sent into the field to respond to a disaster under the Stafford Act (and under public health authority as well) is rostered, deployed, and tracked in order to maintain visibility of assets in the field. This element is undergoing a major redesign that consolidates activities, systems, and resources from the various legacy response teams that are now part of a consolidated Federal response. As the Response Program strives to achieve a shortened response time and common credentialing for all teams under NIMS and ICS standards, the Cadre Management element, which ensures that teams are rostered, trained, and equipped to deploy, will have an increasingly important role.

Federal Incident Response Support Teams (FIRSTs), Management Support Teams (MSTs), and Incident Support Teams (ISTs) are core, field-level teams that support the response to major disasters, emergencies, and acts of terrorism. ISTs and MSTs are pre-existing elements that made up the management cells for the Urban Search and Rescue (US&R) task forces and the NDMS. The FIRSTs implement the NRP using the NIMS process, and are the initial Federal response assets to be deployed in support of the local incident commander in response to a major disaster, emergency, or act of terrorism, including the use of WME. The FIRSTs are the primary support element to State, Tribal, and local emergency responders, and they coordinate the delivery of immediate Federal response assistance as well as the integration of Federal, State, Tribal, and local emergency response operations. Depending on the size and scope of the incident, a FIRST will interact with all other elements of the Response Direction, Command, and Control and Specialized Response Teams sub-programs to ensure a fully coordinated, comprehensive, and effective response effort to save lives and to protect property. The MSTs and ISTs will be integrated into the FIRST operational protocols.

Special Events Operations support the readiness capabilities and planning for designated National Security Special Events to ensure an effective response to possible emergencies, to ensure public health and safety, and to protect property against threats or acts of terrorism. Support generally consists of activating operations centers and liaisons and is dependent upon the needs identified for each event.

Specialized Response Teams

Urban Search and Rescue (US&R) Task Forces provide the coordinated, national, all-risk capability for locating, extricating, and stabilizing victims of structural collapse resulting from natural and human causes, including those involving terrorism and WME. *Also see the Urban Search and Rescue PPA below.*

National Disaster Medical System (NDMS) Response Teams provide medical, mortuary, veterinary, evacuation, and field hospital care in emergencies and disasters, and can be activated by either the public health authorities or by the Stafford Act. NDMS teams are an important component of the overall NDMS that partner with the Department of Health and Human Services (DHHS), the Department of Veterans Affairs, and the Department of Defense (DOD) to provide evacuation and hospitalization response capabilities. NDMS has embarked on a comprehensive team readiness evaluation and enhancement initiative that will see every team achieve full operational status within 4 years of its initial evaluation. This initiative will ensure that every team has the operational, functional, and staffing capability to effectively deploy.

Mobile Emergency Response System (MERS) detachments are mobile, self-sufficient emergency response units designed to support Federal all-hazards response operations by providing integrated and

interoperable communications and life support to meet the needs for disaster response activities, as well as the needs for planned special events. MERS detachments are managed centrally by Headquarters and are dispersed throughout the U.S. to improve the efficiency and cost-effectiveness of the NRP and to allow staff at the Joint Field Offices (JFOs) to focus on immediate response and recovery activities. Additionally, MERS operates the five MERS Operations Centers as an integral part of the FEMA network of operations centers.

Logistics Materiel Management Teams provide a comprehensive support and distribution system for equipment and commodities to effectively support all disaster victims and emergency teams responding to major disasters and emergencies, including acts of terrorism and incidents involving WME. Logistics is a pivotal component of the Response Program because it provides the equipment, commodities, and resources that are critical for Federal response teams to effectively perform their missions at disaster sites. These teams are responsible for acquiring specialized team caches, moving assets, storing equipment and supplies, reconstituting equipment, and accounting for property and equipment. These teams will continue to acquire equipment to reduce their average response time from 60 hours to 48 hours in FY 2007 to provide essential services and support to an impacted community with a population of 50,000.

The Nuclear Incident Response Teams (NIRTs) owned by the Department of Energy (DOE), are the core Federal response personnel for disasters or emergencies involving nuclear and radiological materials. The NIRTs provide operational control when deployed in response to an actual or threatened terrorist act, disaster, or other emergency. The NIRTS are managed by DOE's National Nuclear Security Administration, but FEMA's Response Division is responsible for operational control and deployment decisions.

The Domestic Emergency Support Team (DEST) provides integrated coordination of Department of Justice and DHS operations in response to acts of terrorism or national security emergencies. The DEST is a specialized interagency U. S. Government team designed to provide expert advice, guidance, and support to the Federal Bureau of Investigation (FBI) On-scene Commander and the Principal Federal Official during a WME incident or credible threat. It also provides leadership and training oversight to the seven Federal agencies which comprise the DEST by addressing aggressively team readiness and training requirements. DEST partners include FEMA, DHS, FBI, DOE, DHHS, the Environmental Protection Agency, and DOD.

The Hurricane Liaison Team deploys to the National Hurricane Center to provide the liaison between the National Hurricane Center and the Federal, State, Tribal, and local governments' response system components, and provides an additional access point for critical interagency technology transfer to enhance all-hazards response capability.

National Emergency Response Teams (ERT-Ns) are initial response teams comprised of various FEMA program component experts who partner with Federal, State, and local emergency response agencies as pre-staged elements or in the beginning phases of a major disaster. Teams support Regions with command and control in large, complex response operations, help coordinate provision of Federal aid, and lead the integrated Federal response in support of a State. The ERT-N coordinates Federal response efforts through the Regional Response Coordination Center and the NRCC until a more permanent JFO can be established in the affected State.

Logistics

The Emergency Housing Support element is responsible for storing and delivering adequate emergency housing capabilities to disaster operations to ease the pain and suffering of affected communities. In partnership with the Recovery Program, Response Logistics will identify appropriate emergency housing models and will facilitate plans for storage and distribution to affected disaster areas.

Emergency Communications consists of a flexible mix of resources designed to meet all-hazards and national security emergency requirements, supports the MERS field units, and ensures continuity of communications through fixed detachment facilities across the country.

Logistics Support Operations consist of warehouse facilities and systems used to store, to maintain, to transport, and to track logistical material, commodities, and capabilities in emergencies and disasters. FEMA will develop a plan to transition regional warehouses to the newly consolidated logistics system. FEMA will also develop a plan that outlines a National logistics strategy that will streamline duplicative disaster response assets, warehouses, operating procedures, and associated management structures.

The Pre-positioned Disaster Supplies (PPDS) initiative will pre-stage logistics containers that contain initial emergency supplies that will be used to relieve the suffering of disaster-affected victims in the first days after a disaster. PPDS is meant to reduce response times and to allow States to have the flexibility to deploy logistical resources as needed in disasters.

Total Asset Visibility (TAV) is a system of information that provides the location of assets (or commodities) through their entire lifetime, from initial purchase through disposal. A TAV system that reports the location of all FEMA disaster resources is necessary to ensure and to improve accurate and timely responses to disaster situations. Implementation and use of the TAV system will improve the visibility of asset location and time of arrival, will increase the efficiency of existing asset utilization, and will improve the accuracy of inventories of assets and equipment.

Response Planning

Response Planning builds the foundation, through plans, procedures, and processes developed in cooperation with Federal, State, Tribal, and local partners, for effective and efficient response operations. Response Planning includes planning for all types of major disaster and emergency situations, including terrorist attacks or other incidents involving WME.

The full integration of response plans and functions at all levels of government and the annual testing and evaluation of them is critical to ensure that all individuals in response operations are 100-percent mission-knowledgeable, -proficient, and -capable. Without fully integrated plans, the existence of independent plans at the Federal, State, Tribal, and local levels renders response operations ineffective since response team members and workers are not familiar with each other's roles. Once the basic plans have been integrated and completed at all levels, the tailoring of those plans to meet specific major disasters, emergencies, or incidents involving terrorist attacks or WME is the next critical component.

Disaster sites should not be training sites. Response officials must be fully proficient in their respective roles in responding to all-hazards incidents in order to save lives and to protect property. Response Planning is a critical support system to the Response Direction, Command, and Control sub-program. In addition, studies have determined that adequate Response planning, supported by regular tests, exercises, and evaluations of the plans, processes, procedures, and response staff, provides significantly more effective response operations in impacted communities.

Logistics Planning will continue to develop and to provide cohesive and synchronized logistics planning processes for several programs to achieve both short- and long-term requirements. It will develop and build upon the capacity to respond to diverse requirements effectively and efficiently to meet operational needs.

Catastrophic Disaster Planning continues to initiate Federal-level catastrophic disaster response plans, in partnership with States and local communities, that take into account the significantly higher level of response assets and shorter response times required in such incidents. While some States have begun limited catastrophic disaster planning efforts, the lack of a Federal-level effort means that the critical national commonalities required for effective catastrophic disaster response operations are not in place. Years of successful experience with disaster response operations under the Federal Response Plan have clearly demonstrated that positive results are achieved when Federal response efforts are fully integrated with State, Tribal, and local operations. It is critical that the same levels of integration be put into place for the possible response to catastrophic disasters. The base funding will allow for this catastrophic disaster planning effort to initiate plans for five of the most high-risk communities in the country during FY 2007. The effort will also produce a disaster planning template that can be used in subsequent communities, applying locality-specific needs to a common template of planning categories and scenarios. This approach will allow local communities to drive their plans according to their own needs, with guidance and support coming from the Federal level.

Exercise Support contributes to exercise development and operation through response-oriented consultation, advisement, and program expert knowledge. Exercise Support coordinates with other agencies and within FEMA to provide interaction and participation in national-level response exercises. This support is dependent upon the needs identified for each exercise.

Health and Medical Response

Medical Surge Capacity Development ensures that the capability for handling large-scale patient care will be enhanced by expanding capabilities for handling larger numbers of mass casualties. FEMA will work closely with DHHS to ensure a continuum of medical response care for a mass casualty event, while avoiding duplication of efforts.

Recovery: The Recovery Program works to ensure that individuals and communities affected by disasters of all sizes, including those caused by terrorism, are able to return to normal function with minimal suffering and disruption of services. FEMA is allocating resources for this activity to improve the effectiveness and efficiency of recovery programs as delivered in the numerous disasters occurring annually and to ensure that such assistance can be provided to victims of the larger and more complex disasters that could occur as the result of terrorism or catastrophic natural events.

Program activities will continue to focus on improving efficiency and expediting delivery of disaster assistance to eligible individuals, to State, local, and Tribal governments, and to eligible private

nonprofit organizations, through a commitment to streamline procedures, to improve program policy, to minimize error, and to modernize service delivery technology. Recovery is coordinating the Agency's catastrophic disaster planning initiatives to include local high-risk jurisdiction plans and strategies for housing, mass care, decontamination, and resource management. In FY 2007, FEMA's Recovery Program will focus on:

- Reducing the Individual Assistance processing cycle time by 5 percent
- Reducing the Individual Assistance unit cost of providing disaster assistance, based on the FY 2005 unit cost baseline
- Refining an administrative cost baseline for the provision of Public Assistance disaster aid
- Maintaining a 90-percent customer satisfaction rate for Individual Assistance disaster aid
- Maintaining the customer satisfaction rate for Public Assistance disaster aid at 88 percent
- Continuing to develop and refine plans for delivering accelerated individual assistance in catastrophic disasters

PPA: URBAN SEARCH AND RESCUE

	Perm Pos	FTE	Amount
2005 Actual	**8**	**7**	**$30,000**
2006 Revised Enacted	**8**	**8**	**19,800**
2007 Adjustments to Base	0	0	17
2007 Current Services	**8**	**8**	**19,817**
2007 Program Change	0	0	0
2007 Request	**8**	**8**	**19,817**
Total Change 2006-2007	0	0	17

FEMA requests $19.817 million for this activity. This is an increase of $.017 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Response: The National US&R Response System is comprised of 28 task forces that provide a coordinated, national, all-risk capability to assist State and local governments in responding to structural collapse incidents when the President declares a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). These task forces are highly trained and possess the necessary expertise to extricate and medically treat victims in heavy rescue situations.

After 17 years and numerous activations to respond to hurricanes, earthquakes, and other emergencies, as well as to bombings in Oklahoma City, at the World Trade Center, and at the Pentagon, there are 28 FEMA-sponsored national US&R task forces located throughout the continental United State that are trained and equipped to handle structural collapse rescue.

The 28 teams are comprised of state local and non-profit organizations. These teams are based in their home states and communities. Except when deployed for federal activation, the team members and the teams themselves operate in their home states. One of the pillars of the National US&R system is that, in return for making these state and local resources available to Federal Government, the Federal Government provides resources and training that allow the teams to better serve their communities on a day to day basis.

Any of these national task forces can be activated and deployed by FEMA to a disaster area to provide assistance in structural collapse rescue or may be pre-positioned when a major disaster threatens a community. When activated, a task force can be dispatched and en route to its destination in a matter of hours.

Each task force is comprised of 70 specialists and is divided into six major functional elements: search, rescue, medical, hazardous materials, logistics, and planning. The task force may be divided into two 35-member teams, which allows for the rotation and relief of personnel for round-the-clock search and rescue operations. This is a Type I task force.

The task forces also have the flexibility to reconfigure and deploy as one 28-person (Type-III) team to respond to small, primarily weather-driven incidents. Requirements for this type of team include

physical, technical and canine search and rescue in light, wood-frame construction. Events triggering this type of response typically include hurricanes, tornados, ice storms, and typhoons.

When the system responds, a management group called the Incident Support Team (IST) also responds to support the teams. IST provides command and control for supporting local and State rescue operations.

Some of the capabilities of the US&R task forces are as follows:

- Physical search and rescue operations in damaged/collapsed structures;
- Operations in a known or suspected weapons-of-mass-destruction environment;
- Emergency medical care for entrapped victims, task force personnel, and search canines;
- Reconnaissance to assess damage and needs, and provide feedback to other officials;
- Assessment/shut-off of utilities to houses and other buildings;
- Hazardous materials survey/evaluations;
- Structural and hazard evaluations of buildings;
- Stabilization of damaged structures, including shoring and cribbing operations; and
- A 62,000-pound equipment cache, configured to quickly deploy with the team.

Water rescue is not part of the US&R mission, although they are somewhat equipped to perform the collapse structure rescue mission in a water environment.

In FY 2006 and FY 2007, FEMA will use funding to operate and train the existing task forces, maintain the equipment caches, and replace/repair equipment that has been used in training and actual disasters.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Readiness, Mitigation, Response, and Recovery
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Strengthening Operational Capability

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.
Objective: 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Strategic Goal 4: Lead, manage and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.
Objective: 4.1 Reduce the loss of life and property by strengthening nationwide response readiness.
Objective: 4.2 Provide scalable and robust all-hazard response capability.

Strategic Goal 5: Lead national, state, local and private sector efforts to restore services and rebuild communities after acts of terrorism, natural disasters, or other emergencies.
Objective: 5.1 Strengthen nationwide recovery plans and capabilities.
Objective: 5.2 Provide scalable and robust all-hazard recovery assistance

PPA: Operating Activities

Program Increase: Positions 0 FTE 90 Dollars $17,586

Funding Profile

Note: FY 2005 figures are approximations due to adjustments for 2SR.

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							904	814	$182,496
Program Increase							0	90	17,586
Total Request	**904**	**766**	**$200,097**	**904**	**814**	**$182,217**	**904**	**904**	**200,082**

Description of Item

Funding for this request will strengthen FEMA's response, recovery, readiness, and mitigation functions by providing sufficient funds to fill vacant positions; address maintenance needs and life cycle replacement for equipment for FEMA's Mobile Emergency Response System (MERS); upgrade equipment in FEMA's National and regional Response Coordination Centers; and provide for travel and training. Specifically, the program increase will be used to:

- Fill 90 vacancies to improve mission capability agency-wide ($9,783,000)
- Support MERS special mission travel and training ($300,000)
- Provide a life-cycle management program for MERS communications systems, as well as its logistical, life support, and operations systems ($3,860,000)
- Fund training for FEMA's Emergency Response Teams and support regional conferences and summits on individual and public assistance issues ($1,235,000)
- Upgrade equipment and systems in the National and regional Response Coordination Centers ($250,000)
- Support training for emergency managers ($2,158,000)

Justification

- Fill 90 vacancies to improve mission capability agency-wide ($9,783,000)

Since September 2004, FEMA has had to tightly manage FTE to stay within available funding in this appropriation. Without the requested funding in FY 2007, FEMA estimates that it will not be able to fill 90 of its authorized positions. The positions in RMRR are vital to the operational success of FEMA, where all employees are subject to deployment during disaster surge operations. Of these vacancies, 72 directly contribute to disaster response and recovery including support of programs such as the MERS and logistics management, which provide services critical to the Federal government's ability to plan for disasters and to respond after they strike.

Approximately 50 percent of FEMA's workforce is eligible to retire in the next 5 years, which will create a large number of vacancies. It is extremely important that FEMA be able to fill all of its vacancies in order to maintain essential mission skills and capabilities among its workforce. Moreover, when the planned level of workforce capability cannot be maintained, it creates higher reliance on contractor resources or untrained hires. This adds to the expense of disaster operations and degrades mission performance.

- Support MERS special mission travel and training ($300,000) and provide a life-cycle management program for MERS communications systems, as well as its logistical, life support, and operations systems ($3,860,000)

FEMA's MERS, which provides critical communications and logistical support during disasters, requires basic maintenance on its vehicles and storage buildings, as well as on its HVAC, electrical, plumbing, and security lighting systems. Deferring critical maintenance needs places the MERS

mission capability at risk. Systems technology in the communications field has outstripped FEMA's ability to upgrade the MERS. Funding for travel and training related to the MERS system is also needed to avoid negatively impacting the readiness of the system and the employees who manage it.

- Fund training for FEMA's Emergency Response Teams and support regional conferences and summits on individual and public assistance issues ($1,235,000)

Emergency Response Teams are FEMA's first assets on the scene when a disaster threatens or strikes. These teams provide time critical information back to FEMA leadership and initiate the first steps for coordinating response and recovery activity with State and local governments. Funding is required to ensure the Emergency Response Teams are properly trained including participation in regional exercises, which are invaluable in preparing the teams to integrate with State and local partners, assess the particular risks associated with different regions, and respond to the unique needs of the population within an affected area. Funding will also provide training at the Emergency Management Institute.

FEMA holds regional summits on individual and public assistance to prepare for effective distribution of response and recovery resources tailored to meet the unique challenges within each region. Summits are vital to address the unique concerns of various geographic areas, and to better coordinate with State and local officials in advance of any contingency.

- Upgrade equipment and systems in the National and regional Response Coordination Centers ($250,000)

National and regional Response Coordination Centers represent the nerve center of FEMA's response and recovery efforts. The centers serve as the key nodes for disaster information collection and strategic and tactical decision making during disaster response and recovery. The equipment at these centers is aging. This funding provides resources for necessary upgrades and repair of system equipment, as well as software and hardware enhancements, at FEMA's Response Coordination Centers.

- Support training for emergency managers ($2,158,000)

Additional funding is required to provide for emergency manager training at the Emergency Management Institute. This funding will support cost increases for contract instructors and student stipends. All of the above funding is specifically intended to reinforce FEMA's operating budget. Although FEMA's 2005 budget may appear to be large, less than $450 million of the total funding has any flexibility for execution. The great majority of FEMA's budget is appropriated for specific purposes and cannot be reprogrammed to cover transfers from its base operating budget. In FY 2005, just over $2 billion was the regular annual appropriation to the DRF; $2.5 billion was to fund Biodefense Countermeasures; over $2 billion represented fee-supported programs--mainly the National Flood Insurance Program (NFIP); and $487 million represented other specific programs such as NFIP, Map Modernization, Emergency Food and Shelter, and various mitigation programs. The remaining discretionary funds, approximately $450 million, included fixed costs such as rent, security, and salaries and benefits.

Impact on Performance (Relationship of Increase to Strategic Goals)
Without the requested funding, FEMA's baseline support functions will erode, directly impacting the ability of FEMA's programs to fulfill the strategic goals and objectives previously noted.

Funding for this request will improve FEMA's operations and essential support functions by addressing needed maintenance of MERS equipment and by providing adequate travel and training funds. FEMA faces declines in program performance if additional operational funding is not provided.

Program Increase 2: National Special Security Event Operations

Strategic Goal(s) & Objective(s):

Strategic Goal 4: Lead, manage and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.
Objective: 4.2 Provide scalable and robust all-hazard response capability.

PPA: Operating Activities

Program Increase: Positions 0 FTE 0 Dollars $1,300

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							2	2	$300
Program Increase							0	0	1,300
Total Request	**2**	**2**	**$300**	**2**	**2**	**$300**	**2**	**2**	**1,600**

Description of Item
Funding for this request will cover costs that directly result from FEMA's participation in NSSE operations, as well as in other special events designated by the Secret Service, the Federal Bureau of Investigation, and the Homeland Security Special Events Interagency Working Group. While the level of Federal support to events varies, costs from participation often stem from activation of operation centers and deployment of liaison personnel; Urban Search and Rescue task force activation; use of MERS team vehicles and equipment; satellite costs; continuity of operations activation, and associated costs to FEMA regional offices. Depending on the capabilities of the state and local jurisdiction hosting the event, a variety of response teams may be deployed, placed on alert, or play an advisory role, as appropriate.

Justification
Under Presidential Decision Directive (PDD)-39, FEMA is required to support NSSEs, as well as some special events not specifically designated as NSSEs. This requirement exists because, should a terrorist attack on a special event occur, FEMA's role as the lead Federal agency for response and recovery will be critical.

The number of NSSE and non-NSSE special events that require Federal support is set by the Homeland Security Interagency Special Events Working Group and the NSSE Working Group, and varies annually. Funding will ensure FEMA's ability to support NSSEs as designated by the Secretary of Homeland Security, and will cover annual events such as the President's State of the Union Address, as well as identifiable outyear spikes for events such as the Democratic and Republic National Conventions in 2008, and the Presidential Inauguration in 2009. Special event planning and support operations are essential because a special event constitutes an attractive target to terrorists for a variety of reasons, including participation of Federal officials and attendance of dignitaries; size, significance, and duration of the event; location and recurring nature of the event; anticipated media coverage; state and local resources available to support the event; multiplicity of jurisdictions; adequacy of security; and available threat assessments.

While FEMA's role in supporting these events has increased since 9/11, FEMA's budget still reflects a pre-9/11 environment, and no dedicated funds exist for special events support. Prior to 9/11, special events support was funded with reprogrammed dollars from other activities. This method of funding support for special events has continued since 9/11, but with a continual high-threat environment, special event operations cannot continue to be funded this way.

Impact on Performance (Relationship of Increase to Strategic Goals)
This funding will help to secure FEMA's ability to perform its mandated role in special security event operations under PDD-39 and PDD-62, and its ability to fulfill its responsibility as the lead Federal agency for emergency response and recovery should a terrorist attack occur.

Because the nature of these special events creates a possible target, FEMA must be prepared to address the possibility of threat from all hazards, to include chemical, biological, radiological, nuclear, explosive (CBRNE), cyber, and natural disaster. Systems and supplies that could be targeted include agricultural/food, public health, water, energy, IT, chemical industry, transportation, emergency services, and dams, as well as government and commercial facilities. Any such attack would have collateral effects that require response and recovery efforts. Careful planning, preparation, and highly visible security and emergency management presence at special events may help reduce the attractiveness of these events to terrorists and thereby reduce vulnerability to attack.

The consequences of inadequate special event planning can have an exponential impact on the number of lives saved or lost following a terrorist attack directed against a special event. An increase in funding will enable FEMA to have more coverage and readiness before, during, and after one of these special events.

Program Increase 3: National Response Plan Support

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

PPA: Operating Activities

Program Increase: Positions 14 FTE 7 Dollars $5,300

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							14	7	$5,300
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5,300**

Description of Item
The funding requested will be used to: improve NRP training materials; conduct NRP-based exercises; publish lessons learned from disaster responses; initiate NRP revisions based on exercises and lessons learned; coordinate research and development to improve NRP application and provision of technical assistance to Federal, State, and local government agencies and other partners; identify potential contingency response problems related to the NRP and provide remedial solutions; and identify the resources necessary and their availability for mission-based operations during incidents of national significance or Presidentially declared disasters or emergencies.

Justification
In FY 2006, FEMA will assume responsibility from DHS for implementing and maintaining the NRP. Without additional resources for this responsibility, FEMA's already limited operating resources will be further strained. This funding is needed to provide personnel and program support for implementing and maintaining the NRP and to support the operating costs associated with maintaining and updating the NRP, including the multi-agency coordination required across the Federal Government to ensure successful implementation of the plan. Lack of supporting resources including dedicated FTE will limit severely FEMA's ability to provide the support necessary to maintain and improve the NRP.

Impact on Performance (Relationship of Increase to Strategic Goals)
The NRP is designed to coordinate the response to all types and magnitudes of threats or hazards. Effective coordination is essential to the governments' ability to work together to reduce the consequences of attacks or natural disaster by lessening human suffering, by decreasing loss of life and property, and ultimately, through restoring critical infrastructure in affected communities. The funding requested will allow FEMA to support shortened response times and to provide more effective assistance during incidents of national significance. Lack of the requested funding would reduce FEMA's ability to provide timely implementation and maintenance support, endangering the relevance and ultimate success of the NRP.

Program Increase 4: Pre-Positioned Equipment Program (PEP)

Strategic Goal(s) & Objective(s):

Strategic Goal 4: Lead, manage and coordinate the national response to acts of terrorism, natural disasters, or other emergencies.

Objective: 4.2 Provide scalable and robust all-hazard response capability.

PPA: Operating Activities

Program Increase: Positions 20 FTE 20 Dollars $7,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							20	20	$7,000
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7,000**

Description of Item

PEP consists of standardized equipment pods that include equipment for personal protection, detection, decontamination, communications, and other specialized gear for responding to chemical, biological, radiological, nuclear, and explosive incidences. The program positions supplies in containers on the ground ready to be mobilized and put to use wherever and whenever disaster strikes. PEP equipment pods are being integrated with FEMA storage facilities and logistics systems around the country. The requested funding will provide for further equipment purchase, maintenance, deployment, and for training and outreach activities.

Justification

This program is being transferred from the Preparedness Directorate and requires resources to manage and integrate it into FEMA's logistics systems.

Impact on Performance (Relationship of Increase to Strategic Goals)

The program is a vital Federal asset for quick deployment to the scene of an incident, in order to maximize the capability of Federal, State, and local responders and to minimize their time to arrive on scene fully equipped.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Readiness, Mitigation, Response, and Recovery
Appropriation Language

For necessary expenses for [preparedness,] ***readiness,*** mitigation, response, and recovery activities, [$204,058,000]***[$233,499,000***, including activities authorized by the National Flood Insurance Act of 1968 [(42 U.S.C. 4001 et seq.)], ***as amended,*** the Robert T. Stafford Disaster Relief and Emergency Assistance Act [(42 U.S.C. 5121 et seq.)], the Earthquake Hazards Reduction Act of 1977 [(42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.)], the Defense Production Act of 1950 [(50 U.S.C. App. 2061 et seq.)], sections 107 and 303 of the National Security Act of 1947 [(50 U.S.C. 404, 405)], Reorganization Plan No. 3 of 1978 [(5 U.S.C. App.)], and the Homeland Security Act of 2002 [(6 U.S.C. 101 et seq.): *Provided,* That of the total amount made available under this heading, $20,000,000 shall be for Urban Search and Rescue Teams, of which not to exceed $1,600,000 may be made available for administrative costs]. *(42 U.S.C. 4001 et seq., 5121 et seq., 7701 et seq.; 50 U.S.C. 404, 405, 411, 2061 et seq.; 6 U.S.C. 101 et seq.; 5 U.S.C. App., and the Department of Homeland Security Appropriations Act of 2006.)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Readiness, Mitigation, Response, and Recovery
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**1,021**	**881**	**240,331**
2006 Revised Enacted	**912**	**822**	**202,017**
Adjustments to Base			
Increases			
2007 pay increase	---	---	1,962
Non-pay inflation excluding GSA Rent	---	---	334
Total Increases	---	---	2,296
Decreases			
Termination of one-time costs:			
National Incident Management System	---	---	(2,000)
Total Decreases	---	---	(2,000)
Total Adjustments to Base	**---**	**---**	**296**
2007 Current Services	**912**	**822**	**202,313**
Program Changes			
Program Increases (Decreases)			
Strengthening operational capability	---	90	17,586
National Special Security Event operations	---	---	1,300
National Response Plan support	14	7	5,300
Pre-positioned Equipment Program	20	20	7,000
Total Program Changes	**34**	**117**	**31,186**
Adjustment for Other Funding Sources	**---**	**---**	**---**
2007 Request	**946**	**939**	**233,499**
2006 to 2007 Total Change	**34**	**117**	**31,482**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	**1,021**	**881**	**$240,331**
2006 Revised Enacted	**912**	**822**	**202,017**
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	2,296
Decreases	---	---	(2,000)
Total Adjustments to Base	---	---	296
2007 Current Services	**912**	**822**	**202,313**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	34	117	31,186
2007 Total Request	**946**	**939**	**233,499**
2006 to 2007 Total Change	34	117	31,482

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Operating Activities	904	814	$182,217	---	---	$279	34	117	$31,186	938	931	$213,682	34	117	$31,465
2 Urban Search and Rescue Teams	8	8	19,800	---	---	17	---	---	---	8	8	19,817	---	---	17
Total	**912**	**822**	**$202,017**	**---**	**---**	**$296**	**34**	**117**	**$31,186**	**946**	**939**	**$233,499**	**34**	**117**	**$31,482**

Note:

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D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual*			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
U.S. Department of Transportation			$892			$800				---	---	(800)
U.S. Army		34	90,360			96,510				---	---	(96,510)
U.S. Navy			4			10				---	---	(10)
U.S. Department of Homeland Security (DHS) - Customs and Border Protection			124			200				---	---	(200)
U.S. Department of Health and Human Services			470			1,200				---	---	(1,200)
DHS - Border and Transportation Security and Office for Domestic Preparedness (ODP)		13	12,799		13					---	(13)	---
U.S. Department of the Interior			159			150				---	---	(150)
Environmental Protection Agency			10							---	---	---
Environmental Protection Agency - allocation account		11			12			12				
DHS - Office of State and Local Government Coordination and Preparedness (SLGCP)and ODP			937,361							---	---	---
U.S. Department of Commerce			100							---	---	---
Preparedness and Recovery, Canada			27			22				---	---	(22)
U.S. Department of Defense			41			600				---	---	(600)
U.S. Department of the Treasury and U.S. Department of Justice (DOJ)			24							---	---	---
DHS - U.S. Coast Guard			12			25				---	---	(25)
DOJ			200			250				---	---	(250)
DHS - ODP						712,500				---	---	(712,500)
DHS						200				---	---	(200)
DHS - Science and Technology Directorate			774			650				---	---	(650)
Miscellaneous - non-DHS, non-Army agencies			---		10	---		10	4,000	---	---	4,000
Total Budgetary Resources	**---**	**58**	**1,043,357**	**---**	**35**	**813,117**	**---**	**22**	**4,000**	**---**	**(13)**	**(809,117)**

Obligations by Program/Project Activity	2005 Actual*			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Operating Activities		58	$1,043,357		35	$813,117		22	$4,000	---	(13)	(809,117)
Total Obligations	**---**	**58**	**1,043,357**	**---**	**35**	**813,117**	**---**	**22**	**4,000**	**---**	**(13)**	**(809,117)**

*Based on obligations. Actual collections totaled $877.633 million.

Explanation of Increase/Decrease.
Operating Activities: The budget assumes that DHS will award fire grants and administer the Chemical Stockpile Emergency Preparedness program. These two programs account for the overwhelming majority of FEMA's reimbursable resources in FY 2005-2006.

E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$69,814	$68,510	$79,564	$11,054
11.3 Other than full-time permanent	657	635	635	---
11.5 Other personnel compensation	3,083	1,525	2,325	800
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	18,292	18,515	21,411	2,896
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$91,846**	**$89,185**	**$103,935**	**$14,750**
Other Object Classes:				
21.0 Travel and transportation of persons	2,901	5,469	8,024	2,555
22.0 Transportation of things	515	172	1,172	1,000
23.1 Rental payments to GSA	345	---	105	105
23.2 Rental payments to others	29	---	3,920	3,920
23.3 Communications, utilities, & misc. charges	3,640	1,125	1,132	7
24.0 Printing and reproduction	1,788	2,939	3,990	1,051
25.1 Advisory and assistance services	374	4,274	4,274	---
25.2 Other services	38,579	39,078	35,638	(3,440)
25.3 Purchases of goods & svcs. from Gov't accounts	23,504	24,365	25,036	671
25.4 Operation and maintenance of facilities	6,571	100	100	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	403	576	576	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	2,916	2,442	3,552	1,110
31.0 Equipment	8,863	12,185	16,235	4,050
32.0 Land and structures	1,036	445	445	---
41.0 Grants, subsidies, and contributions	44,464	25,365	25,365	---
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$135,928**	**$118,535**	**$129,564**	**$11,029**
Total, Direct Obligations	**$227,774**	**$207,720**	**$233,499**	**$25,779**
Unobligated balance, start of year	(6,576)	(5,703)	---	5,703
Rescission of prior year authority	5,000	---	---	---
Unobligated balance, end of year	5,703	---	---	---
Unobligated balance expiring	12,702	---	---	---
Recoveries of prior year obligations	(4,272)	---	---	---
Total Requirements	**$240,331**	**$202,017**	**$233,499**	**$31,482**

Note: Includes obligations, carryover, and recoveries shown in Operating Expenses in the President's Budget

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	15	13	13	---
Total, EX	1	---	---	---
GS-15	87	82	83	1
GS-14	158	149	156	7
GS-13	228	190	203	13
GS-12	353	337	331	(6)
GS-11	64	51	58	7
GS-10	2	2	2	---
GS-9	21	16	28	12
GS-8	20	16	16	---
GS-7	49	38	38	---
GS-6	10	8	8	---
GS-5	7	6	6	---
GS-4	2	1	1	---
GS-3	4	3	3	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**1,021**	**912**	**946**	**34**
Unfilled Positions EOY	151	90	7	(83)
Total Perm. Employment EOY	870	822	939	117
FTE	**881**	**822**	**939**	**117**
Headquarters	711	602	616	14
U.S. Field	310	310	330	20
Foreign Field	---	---	---	---
Total Permanent Positions	**1,021**	**912**	**946**	**34**
Average ES Salary	$139,853	$146,683	$149,910	$3,227
Average GS Salary	$78,030	$80,663	$82,438	$1,775
Average GS Grade	12.19	12.28	12.14	(0.15)

G. Capital Investment and Construction Initiative Listing

FEDERAL EMERGENCY MANAGEMENT AGENCY

READINESS, MITIGATION, RESPONSE, AND RECOVERY

INITIATIVE NAME	FY 2007 FUNDING REQUEST $(000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
FEMA - Housing Inspection Services, Inspection Contracts 2007	$36,800	$1,670	$38,470	Readiness, Mitigation, Response, and Recovery	The cost of this initiative is charged out to Recovery.
FEMA - National Flood Insurance Program Processing Agent 2007	$16,210	$0	$16,210	Readiness, Mitigation, Response, and Recovery	The cost of this initiative is charged out to Mitigation.
Total Non-IT Investments $5 million or more	$53,010	$1,670	$54,680		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$53,010	$1,670	$54,680		
Total of IT Investments	$80,291	$925	$81,216		
Total all IT and Non-IT Investments	$133,301	$2,595	$135,896		

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H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
PPA: Operating Activities
Funding Schedule
(Dollars in Thousands)

PPA: Operating Activities		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$69,280	$67,900	$78,941	$11,041
11.3	Other than perm	656	634	634	---
11.5	Other per comp	3,065	1,510	2,310	800
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	18,150	18,353	21,245	2,892
13.0	Benefits-former	---	---	---	---
21.0	Travel	2,692	5,259	7,814	2,555
22.0	Transportation of things	198	72	1,072	1,000
23.1	GSA rent	62	---	105	105
23.2	Other rent	27	---	3,920	3,920
23.3	Communications, utilities, and misc charges	3,602	1,090	1,097	7
24.0	Printing	1,758	2,909	3,960	1,051
25.1	Advisory & assistance services	313	4,214	4,214	---
25.2	Other services	35,660	35,691	32,251	(3,440)
25.3	Purchases from Govt. accts.	23,312	24,165	24,836	671
25.4	Operation & maintenance of facilities	6,571	100	100	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	403	576	576	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	2,829	2,357	3,467	1,110
31.0	Equipment	8,858	12,180	16,230	4,050
32.0	Land & structures	1,036	445	445	---
41.0	Grants/subsidies/contributions	19,325	10,465	10,465	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, RMRR - Operating Activities		**$197,797**	**$187,920**	**$213,682**	**$25,762**
Full Time Equivalents		874	814	931	117

PPA Mission Statement

Funding for Readiness, Mitigation, Response, and Recovery provides for the development and maintenance of an integrated, nationwide capability to prepare for, to mitigate against, to respond to, and to recover from the consequences of major disasters and emergencies, regardless of cause, in partnership with other Federal agencies, State, local, and Tribal governments, volunteer organizations, and the private sector.

The FY 2007 request will strengthen FEMA's response, recovery, readiness, and mitigation functions by providing sufficient funds to fill vacant positions; address deferred maintenance and life cycle replacement for equipment for FEMA's Mobile Emergency Response System (MERS); upgrade equipment in FEMA's National and regional response coordination centers; restore travel and training funds; identify and initiate improvements and revisions to components of the NRP, including identifying the resources necessary and their availability for mission-based operations during incidents of national significance or Presidentially declared disasters or emergencies; and cover the cost of FEMA's participation in National Special Security Events (NSSEs).

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	**$91,151**	**$88,397**	**$103,130**	**$14,733**

Salaries and Benefits include costs for 931 FTEs. The FY 2007 request includes increases of $14,733,000: $1,945,000 for the proposed January 2007 2.2 percent pay raise; $8,703,000 to fund 90 FTE needed to sustain operational capability; $800,000 for overtime to participate in NSSEs; $1,285,000 to identify and initiate improvements and revisions to the NRP; and $2,000,000 for logistics management.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	**$2,692**	**$5,259**	**$7,814**	**$2,555**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $2,555,000 for the following initiatives: $1,450,000 associated with 90 FTE needed to strengthen operational capability; $500,000 for travel to participate in NSSEs; $525,000 to identify and initiate improvements and revisions to the NRP; and $80,000 for logistics management.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	**$198**	**$72**	**$1,072**	**$1,000**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $1,000,000 for equipment moves associated with logistics management.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	**$62**	**$0**	**$105**	**$105**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $105,000 for the 14 positions and 7 FTE associated with revising the NRP.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other rent	**$27**	**$0**	**$3,920**	**$3,920**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase of $3,920,000 for equipment storage.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	**$3,602**	**$1,090**	**$1,097**	**$7**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $7,000 associated with personnel costs for the NRP initiative.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	**$1,758**	**$2,909**	**$3,960**	**$1,051**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $1,051,000 for the cost of revising and printing the NRP.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	**$313**	**$4,214**	**$4,214**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$35,660**	**$35,691**	**$32,251**	**($3,440)**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a net decrease of $3,440,000: decreases of $5,703,000 associated with the obligation of carryover funds in FY 2006 and $500,000 from a base reduction to the National Incident Management System (NIMS), partially offset by increases of $1,907,000 for the NRP initiative, $656,000 to improve operational capability, and $200,000 for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$23,312**	**$24,165**	**$24,836**	**$671**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a net increase of $671,000: increases of $134,000 for non-pay inflation and $2,037,000 to improve operational capability, partially offset by a decrease of $1,500,000 from the NIMS base reduction.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of facilities	**$6,571**	**$100**	**$100**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of equipment	**$403**	**$576**	**$576**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$2,829**	**$2,357**	**$3,467**	**$1,110**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $1,110,000: $1,040,000 to improve operational capability and $70,000 for NRP support.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$8,858**	**$12,180**	**$16,230**	**$4,050**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $4,050,000: $3,700,000 to improve operational capability and $350,000 to support the NRP.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Land & structures	**$1,036**	**$445**	**$445**	**$0**

Land and structures include the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$19,325**	**$10,465**	**$10,465**	**$0**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
PPA: Urban Search and Rescue Teams
Funding Schedule
(Dollars in Thousands)

PPA: Urban Search and Rescue Teams		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$534	$610	$623	$13
11.3	Other than perm	1	1	1	---
11.5	Other per comp	18	15	15	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	142	162	166	4
13.0	Benefits-former	---	---	---	---
21.0	Travel	209	210	210	---
22.0	Transportation of things	317	100	100	---
23.1	GSA rent	283	---	---	---
23.2	Other rent	2	---	---	---
23.3	Communications, utilities, and misc charges	38	35	35	---
24.0	Printing	30	30	30	---
25.1	Advisory & assistance services	61	60	60	---
25.2	Other services	2,919	3,387	3,387	---
25.3	Purchases from Govt. accts.	192	200	200	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	87	85	85	---
31.0	Equipment	5	5	5	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	25,139	14,900	14,900	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	
91.0	Unvouchered	---	---	---	---
Total, RMRR - Urban Search & Rescue		**$29,977**	**$19,800**	**$19,817**	**$17**
Full Time Equivalents		7	8	8	---

PPA Mission Statement

The National US&R Response System is comprised of 28 task forces that provide a coordinated, national, all-risk capability to assist State and local governments in responding to structural collapse incidents when the President declares a major disaster or emergency under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). These task forces are highly trained and possess the necessary expertise to extricate and medically treat victims in heavy rescue situations.

In FY 2007, FEMA will use funding to operate and train the existing task forces, maintain the equipment caches, and replace/repair equipment that has been used in training and actual disasters.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	**$695**	**$788**	**$805**	**$17**

Salaries and Benefits include costs for 8 FTEs. The FY 2007 request includes an increase of $17,000 for the proposed January 2007 2.2 percent pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	**$209**	**$210**	**$210**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	**$317**	**$100**	**$100**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	**$283**	**$0**	**$0**	**$0**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other rent	**$2**	**$0**	**$0**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	**$38**	**$35**	**$35**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	**$30**	**$30**	**$30**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	**$61**	**$60**	**$60**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$2,919**	**$3,387**	**$3,387**	**$0**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$192**	**$200**	**$200**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$87**	**$85**	**$85**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$5**	**$5**	**$5**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$25,139**	**$14,900**	**$14,900**	**$0**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Readiness, Mitigation, Response, and Recovery
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Operating Activities	$6,038	$2,835	$2,859	$24
Urban Search and Rescue Teams	---	---	---	---
Reimbursables	30	37	38	1
Total Working Capital Fund	**$6,068**	**$2,872**	**$2,897**	**$25**

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Department of Homeland Security

Federal Emergency Management Agency

Public Health Programs

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
PUBLIC HEALTH PROGRAMS

I. Appropriation Overview

A. Mission Statement for Public Health Programs: Under FEMA's Response program, this funding supports the National Disaster Medical System (NDMS).

B. Budget Activities:

The NDMS is a cooperative asset-sharing program among Federal Departments and Agencies, State and local governments, private business, and civilian volunteers that augments the Nation's emergency medical response capability. It provides a single, integrated national medical response capability for assisting State and local authorities in dealing with the medical and health effects of major peacetime disasters, and provides support to the military and Veterans Health Administration medical systems in caring for casualties evacuated to the U.S. from armed conflicts overseas. In addition, it (1) provides specialty medical teams to supplement emergency response capability; (2) maintains an inventory of available hospital beds; (3) manages the transportation of mass casualties to long-term care facilities; and (4) implements limited medical surge capabilities.

C. Budget Request Summary:

The FEMA FY 2007 request for its Public Health Programs activity is 40 other than full-time permanent FTE, and $33,885,000. Adjustments to base total 0 FTE and $225,000. No increase in program funding is requested.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Public Health Programs - National Disaster Medical System	88	$134,000	40	$33,660	40	$33,885	---	$225	---	---	---	$225
Subtotal, Enacted Appropriations and Budget Estimates	**88**	**$134,000**	**40**	**33,660**	**40**	**33,885**	**---**	**225**	**---**	**---**	**---**	**225**
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**88**	**$134,000**	**40**	**$33,660**	**40**	**$33,885**	**---**	**$225**	**---**	**---**	**---**	**$225**

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs
Program Performance Justification
(Dollars in thousands)

PPA: NATIONAL DISASTER MEDICAL SYSTEM

	Perm Pos	FTE	Amount
2005 Actual	**0**	**88**	**$134,000***
2006 Revised Enacted	**0**	**40**	**33,660**
2007 Adjustments to Base	0	0	225
2007 Current Services	**0**	**40**	**33,885**
2007 Program Change	0	0	0
2007 Request	**0**	**40**	**33,885**
Total Change 2006-2007	0	0	225

FEMA requests $33.885 million for this activity. This is an increase of $.225 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The NDMS, under FEMA's Response program, is a cooperative asset-sharing program among Federal Departments and Agencies, State and local governments, private business, and civilian volunteers that augments the Nation's emergency medical response capability. It provides a single, integrated national medical response capability for assisting State and local authorities in dealing with the medical and health effects of major peacetime disasters, and provides support to the military and Veterans Health Administration medical systems in caring for casualties evacuated to the U.S. from armed conflicts overseas. In addition, it (1) provides specialty medical teams to supplement emergency response capability; (2) maintains an inventory of available hospital beds; (3) manages the transportation of mass casualties to long-term care facilities; and (4) implements limited medical surge capabilities.

* The 2005 Actual level includes $100 million that was transferred from the Disaster Relief Fund to facilitate NDMS deployment following Hurricane Katrina, per P.L. 109-62.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Public Health Programs
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Public Health Programs
Appropriation Language

For necessary expenses for countering potential biological, disease, and chemical threats in civilian populations, [$34,000,000]***$33,885,000***. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Public Health Programs
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	**88**	**134,000**
2006 Revised Enacted	---	**40**	**33,660**
Adjustments to Base			
Increases			
2007 pay increase	---	---	113
Non-pay inflation excluding GSA Rent	---	---	112
Total Increases	---	---	225
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	---	---	**225**
2007 Current Services	---	**40**	**33,885**
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	---
2007 Request	---	**40**	**33,885**
2006 to 2007 Total Change	---	---	**225**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	88	$134,000
2006 Revised Enacted	---	40	33,660
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	225
Decreases	---	---	---
Total Adjustments to Base	---	---	225
2007 Current Services	---	40	33,885
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	---	40	33,885
2006 to 2007 Total Change	---	---	225

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos	FTE	Amount	Pos.	FTE	Amount	Pos	FTE	Amount	Pos.	FTE	Amount
1 National Disaster Medical System	---	40	$33,660	---	---	$225	---	---	---	---	40	$33,885	---	---	$225
Total	---	40	$33,660	---	---	$225	---	---	---	---	40	$33,885	---	---	$225

Note:

D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$172	---	---	---
11.3 Other than full-time permanent	7,220	$3,849	$3,943	$94
11.5 Other personnel compensation	1,128	500	500	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	874	770	789	19
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$9,394**	**$5,119**	**$5,232**	**$113**
Other Object Classes:				
21.0 Travel and transportation of persons	3,598	3,180	3,180	---
22.0 Transportation of things	508	250	250	---
23.1 Rental payments to GSA	225	---	---	---
23.2 Rental payments to others	957	1,100	1,100	---
23.3 Communications, utilities, & misc. charges	360	345	345	---
24.0 Printing and reproduction	3	---	---	---
25.1 Advisory and assistance services	1,659	1,500	1,500	---
25.2 Other services	2,642	3,500	3,500	---
25.3 Purchases of goods & svcs. from Gov't accounts	6,200	113,841	12,778	(101,063)
25.4 Operation and maintenance of facilities	3	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	168	1,000	1,000	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	3,277	2,500	2,500	---
31.0 Equipment	2,788	2,500	2,500	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	---	---	---	---
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$22,388**	**$129,716**	**$28,653**	**($101,063)**
Total, Direct Obligations	**$31,782**	**$134,835**	**$33,885**	**($100,950)**
Unobligated balance, start of year	(198)	(101,175)	---	101,175
Unobligated balance, end of year	101,175	---	---	---
Unobligated balance expiring	1,969	---	---	---
Recoveries of prior year obligations	(728)	---	---	---
Total Requirements	**$134,000**	**$33,660**	**$33,885**	**$225**

Note: Includes obligations, carryover, and recoveries shown in Operating Expenses in the President's Budget

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15	---	---	---	---
GS-14	---	---	---	---
GS-13	---	---	---	---
GS-12	---	---	---	---
GS-11	---	---	---	---
GS-10	---	---	---	---
GS-9	---	---	---	---
GS-8	---	---	---	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	---	---	---	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	---	---	---	---
FTE	**88**	**40**	**40**	---
Headquarters	---	---	---	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	---	---	---	---
Average ES Salary	$---	$---	$---	$---
Average GS Salary	$---	$---	$---	$---
Average GS Grade	---	---	---	---

Note: There are no permanent positions associated with this program.
FTE, which are not included, are dependent upon deployment needs.

G. Capital Investment and Construction Initiative Listing						
FEDERAL EMERGENCY MANAGEMENT AGENCY						
PUBLIC HEALTH PROGRAMS						
Not applicable						

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs
PPA: National Disaster Medical System
Funding Schedule
(Dollars in Thousands)

PPA: National Disaster Medical System		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$172	$0	$0	$0
11.3	Other than perm	7,220	3,849	3,943	94
11.5	Other per comp	1,128	500	500	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	874	770	789	19
13.0	Benefits-former	---	---	---	---
21.0	Travel	3,598	3,180	3,180	---
22.0	Transportation of things	508	250	250	---
23.1	GSA rent	225	---	---	---
23.2	Other rent	957	1,100	1,100	---
23.3	Communications, utilities, and misc charges	360	345	345	---
24.0	Printing	3	---	---	---
25.1	Advisory & assistance services	1,659	1,500	1,500	---
25.2	Other services	2,642	3,500	3,500	---
25.3	Purchases from Govt. accts.	6,200	113,841	12,778	(101,063)
25.4	Operation & maintenance of facilities	3	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	168	1,000	1,000	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	3,277	2,500	2,500	---
31.0	Equipment	2,788	2,500	2,500	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	---	---	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Pub. Health - NDMS		**$31,782**	**$134,835**	**$33,885**	**($100,950)**
Full Time Equivalents		88	40	40	---

PPA Mission Statement

The National Disaster Medical System (NDMS), under FEMA's Response program, is a cooperative asset-sharing program among Federal Departments and Agencies, State and local governments, private business, and civilian volunteers that augments the Nation's emergency medical response capability. It provides a single, integrated national medical response capability for assisting State and local authorities in dealing with the medical and health effects of major peacetime disasters, and provides support to the military and Veterans Health Administration medical systems in caring for casualties evacuated to the U.S. from armed conflicts overseas. In addition, it (1) provides specialty medical teams to supplement emergency response capability; (2) maintains an inventory of available hospital beds; (3) manages the transportation of mass casualties to long-term care facilities; and (4) implements limited medical surge capabilities.

The amount requested for FY 2007 will continue to provide support for the NDMS with increases related to pay and non-pay inflation only.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	**$9,394**	**$5,119**	**$5,232**	**$113**

Salaries and Benefits include costs for 40 FTEs. The FY 2007 request includes an increase of $113,000 for the proposed January 2007 2.2 percent pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	**$3,598**	**$3,180**	**$3,180**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	**$508**	**$250**	**$250**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	**$225**	**$0**	**$0**	**$0**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other rent	**$957**	**$1,100**	**$1,100**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	$360	$345	$345	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	$3	$0	$0	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	$1,659	$1,500	$1,500	$0

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	$2,642	$3,500	$3,500	$0

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	$6,200	$113,841	$12,778	($101,063)

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a net decrease of $101,063,000: a decrease of $101,175,000 associated with the obligation of carryover funds in FY 2006 and an increase of $112,000 for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of facilities	$3	$0	$0	$0

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of equipment	**$168**	**$1,000**	**$1,000**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$3,277**	**$2,500**	**$2,500**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$2,788**	**$2,500**	**$2,500**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request is the same as the FY 2006 level.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Public Health Programs

FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Public Health Programs - National Disaster Medical System	$1,026	$579	$702	$123
Total Working Capital Fund	**$1,026**	**$579**	**$702**	**$123**

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Department of Homeland Security

Federal Emergency Management Agency

Disaster Relief

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
DISASTER RELIEF

I. Appropriation Overview

A. Mission Statement for Disaster Relief: Through the Disaster Relief Fund (DRF), DHS provides a significant portion of the total Federal response to victims in Presidentially declared major disasters and emergencies.

B. Budget Activities:

Major disasters are declared when a State requests Federal assistance and certifies that a given disaster is beyond the State's capacity to respond. Under the DRF, DHS will continue to operate the primary assistance program, including Federal assistance to individuals and households, and public assistance, which includes the repair and reconstruction of State, local, and nonprofit infrastructure.

C. Budget Request Summary:

The FEMA FY 2007 request for the Disaster Relief program is 25 permanent positions, 3,493 FTE, and $1,941,390,000. Adjustments to base total 0 FTE and $189,090,000. No increase in program funding is requested.

Coupled with funding from recoveries of prior year obligations and unobligated funds carried forward, the appropriation request for Disaster Relief is designed to fund disaster support costs and the five-year average for direct disaster activity (excluding extraordinary events, such as the terrorist attack of September 11, the 2004 hurricanes in Florida and other States, and hurricanes Katrina and Rita in 2005).

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Disaster Relief	5,458	$44,265,580	3,493	$1,752,300	3,493	$1,941,390	---	$189,090	---	---	---	$189,090
Subtotal, Enacted Appropriations and Budget Estimates	**5,458**	**$44,265,580**	**3,493**	**$1,752,300**	**3,493**	**$1,941,390**	**---**	**$189,090**	**---**	**---**	**---**	**$189,090**
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**5,458**	**$44,265,580**	**3,493**	**$1,752,300**	**3,493**	**$1,941,390**	**---**	**$189,090**	**---**	**---**	**---**	**$189,090**

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
Program Performance Justification
(Dollars in thousands)

PPA: DISASTER RELIEF

	Perm Pos	FTE	Amount
2005 Actual	**25**	**5,458**	**$44,265,580***
2006 Enacted	**25**	**3,493**	**1,752,300**
2007 Adjustments to Base	0	0	189,090
2007 Current Services	**25**	**3,493**	**1,941,390**
2007 Program Change	0	0	0
2007 Request	**25**	**3,493**	**1,941,390**
Total Change 2006-2007	0	0	189,090

FEMA requests $1,941.39 million for this activity. This is an increase of $189.09 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Stafford Act), 42 U.S.C. 5121-5206 (Public Law 93-288, as amended), authorizes the President to provide Federal assistance to supplement State and local governments' disaster response, recovery, readiness, and mitigation efforts. Under Executive Order 12148, as amended by Executive Order 13286, FEMA's Director, formerly DHS' Under Secretary for the Emergency Preparedness and Response Directorate, has been delegated the responsibility for administering the Federal Government's disaster assistance programs. The Stafford Act authorizes five types of declarations or actions: (1) Major Disaster, (2) Emergency, (3) Fire Management Assistance, (4) Defense Emergency, and (5) Pre-declaration activities.

Direct Disaster Programs

These programs constitute the resources provided by the Federal Government (through FEMA) to directly address the short-, medium-, and long-term consequences of a disaster on both individuals and communities. Disaster assistance provided under the terms of the Stafford Act can be provided to any one of the States (and ultimately as well to local or Tribal governments), the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The Individual Assistance (IA) and Public Assistance (PA) programs, and the Hazard Mitigation Grant Program (HMGP) are the major components of the Direct Disaster programs, as are FEMA's pre-declaration and emergency response activities.

* Includes $2,042,380,000 from the FY 2005 appropriation and $66,500,000,000 in supplemental funding, reduced by a rescission of $23,409,300,000 in FY 2006.and transfers of $867,500,000 ($752,500,000 to the Disaster Assistance Direct Loan Program Account., $100,000,000 to Public Health Programs, and $15,000,000 to the Inspector General).

FEMA's disaster programs will be impacted for a long time to come by the 2005 hurricane season, as the Gulf Coast recovers from Katrina, Rita, and Wilma. The 2005 hurricane season was the most active in U.S. history. Within 100 days of Hurricane Katrina's striking the U.S., FEMA provided nearly $5.2 billion to more than 1.4 million households impacted by Hurricanes Katrina and Rita; figures unmatched in the Agency's history. More than 130 Disaster Recovery Centers were stretched across Texas, Louisiana, Mississippi, Alabama, and Florida, serving the needs of an unprecedented number of people displaced from their homes. Working through the American Red Cross, FEMA supported the Nation's largest-ever sheltering operation, with more than 320,000 evacuees at its peak, and paid to house 85,000 families in emergency hotel housing. FEMA also provided rental assistance to more than 653,000 families who were displaced. More than 40,000 manufactured homes or travel trailers provided through FEMA were occupied by families in the Gulf Coast, and more than 140,000 temporary roofs were put on damaged homes through the U.S. Army Corps of Engineers. As of January 1, FEMA and its Federal partners have removed nearly 60 million cubic yards of debris, and FEMA has approved over $392 million in Community Disaster Assistance Loans and over $205 million in unemployment insurance.

FY 2007 base resources for Direct Disaster Programs have been distributed as follows: 76 percent, or 2,048 FTEs and $1,342,456,000, to the Recovery program; 15 percent, or 404 FTEs and $264,959,000, to the Response program; and 9 percent, or 243 FTEs and $158,975,000, to the Mitigation program for the HMGP.

Disaster Support Activity

In addition to direct assistance, FEMA maintains a critical, ongoing disaster operations and support infrastructure that supports the timely delivery of all of FEMA's disaster assistance programs. These resources provide for disaster-related support activities, which encompass ongoing operational capabilities that are not readily attributable to any one specific declared disaster. Disaster Support Activity programs within the DRF constitute the one-time and recurring costs associated with managing and operating overall disaster support services and infrastructure functions.

FEMA plans for and monitors disaster support costs annually, using a clearly defined process to identify and to control costs in support of a rapid response and efficiently executed disaster program. These support expenditures are essential for FEMA to provide (1) timely disaster response, (2) responsive customer service, and (3) cost-effective program management and delivery.

The DRF Disaster Support activities support the following FEMA programs:

- Response - includes response operations, command and control, disaster workforce management, planning and coordination, logistics management, and storage/warehouse activities

- Recovery - includes program planning and operations support (to include training and evaluation programs) to the IA and PA programs, the Federal Coordinating Officers and Community Relations programs, and the infrastructure to support centralized disaster application processing functions delivered at the National Processing Service Centers

- Mitigation - includes program planning and operations support (to include training, technical assistance, and evaluation programs) to the Hazard Mitigation Grant Program and related mitigation program support activities to help reduce the risk to life and to property from all hazards

- Readiness - includes disaster reservist cadre and permanent FEMA staff training on a wide range of disaster program and technical support functions, delivered at EMI, as well as at JFO and regional office locations

The Disaster Support budget also includes administrative and management support resources to support the FEMA program areas. These costs have been distributed to the four basic programs outlined above and include the following: U.S. Department of Agriculture National Finance Center charges for disaster employee payroll services, paid through DHS, as well as other centralized support costs association with the DHS consolidated Working Capital Fund; disaster employee unemployment benefits; disaster employee workers' compensation charges; rent for FEMA space occupied by disaster employees; disaster-related postage and shipping charges; disaster personnel administration and deployment; disaster financial operations support; physical security and background investigations of temporary disaster employees; and statutory requirements for health and safety programs. Disaster Support resources also support the full array of telecommunication and other information systems and equipment that allows for the transfer of data and information quickly and effortlessly through systems such as the National Emergency Management Information System, which is designed to process applications and payments for assistance expeditiously, and to provide for nationwide infrastructure to support disaster operations.

FY 2007 base resources have been distributed as follows:

Mitigation:	13 FTE	$3,441,000
Readiness:	36 FTE	$13,670,000
Response:	171 FTE	$43,732,000
Recovery:	578 FTE	$114,157,000

Changes within the disaster support base in FY 2007 will allow FEMA to continue to consolidate the Federal response functions into a comprehensive, coordinated NRP under the NIMS that will eventually be capable of meeting reduced response times that are required to ensure the maximum capability to save lives and to protect property for all major disaster and emergency requirements, including acts of terrorism and catastrophic disasters. FEMA will lead national, State, local, and private sector efforts to restore services and to rebuild communities after acts of terrorism, natural disasters, or other emergencies by strengthening nationwide Recovery plans and capabilities and by providing scalable and robust all-hazard Recovery assistance. In addition, FEMA will upgrade physical security in its disaster facilities in order to protect all facilities at the Department of Justice's minimum security standards proposed for the organization, will increase compliance with Civil Rights regulations, and will support e-government initiatives such as the "Disasterhelp.gov" web-based programs/systems.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Disaster Relief
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Disaster Relief
Appropriation Language

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), [$1,770,000,000]***$1,941,390,000***, to remain available until expended. *(Department of Homeland Security Appropriations Act, 2006.)*

[For an additional amount for "Disaster Relief", $6,500,000,000, to remain available until expended: *Provided,* That such amount is designated as an emergency requirement pursuant to section 402 of S. Con. Res. 95 (108th Congress), as made applicable to the House of Representatives by H. Res. 649 (108th Congress) and applicable to the Senate by section 14007 of Public Law 108-287.] *(Emergency Supplemental Appropriations for Hurricane Disasters Assistance Act, 2005.)*

[(TRANSEFR OF FUNDS)]

[In addition, of the amounts appropriated under this heading in Public Law 109-62, $1,500,000 shall be transferred to the "Disaster Assistance Direct Loan Program Account" for administrative expenses to carry out the direct loan program, as authorized by section 417 of the Stafford Act: *Provided,* That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.]

[(RESCISSION OF FUNDS)]

[Of the funds appropriated under this heading in Public Law 109-62, $23,409,300,000 are rescinded.] *(Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006.)*

Explanation of Changes:

Language related to the FY 2005 and FY 2006 supplementals following hurricanes in the Gulf of Mexico is deleted.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Disaster Relief
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**25**	**5,458**	**44,265,580**
2006 Revised Enacted	**25**	**3,493**	**1,752,300**
Adjustments to Base			
Increases			
2007 pay increase	---	---	1,376
Non-pay inflation excluding GSA Rent	---	---	187,714
Total Increases	---	---	189,090
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	---	---	**189,090**
2007 Current Services	**25**	**3,493**	**1,941,390**
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	---
2007 Request	**25**	**3,493**	**1,941,390**
2006 to 2007 Total Change	---	---	**189,090**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	**25**	**5,458**	**$44,265,580**
2006 Revised Enacted	**25**	**3,493**	**1,752,300**
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	189,090
Decreases	---	---	---
Total Adjustments to Base	---	---	189,090
2007 Current Services	**25**	**3,493**	**1,941,390**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	**25**	**3,493**	**1,941,390**
2006 to 2007 Total Change	---	---	189,090

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Disaster Relief	25	3,493	$1,752,300	---	---	$189,090	---	---	---	25	3,493	$1,941,390	---	---	$189,090
Total	**25**	**3,493**	**$1,752,300**	---	---	**$189,090**	---	---	---	**25**	**3,493**	**$1,941,390**	---	---	**$189,090**

Note:

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D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$2,600	$2,684	$2,749	$65
11.3 Other than full-time permanent	240,069	196,477	134,604	(61,873)
11.5 Other personnel compensation	128,547	61,636	31,676	(29,960)
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	39,297	34,088	26,012	(8,076)
13.0 Benefits for former personnel	7,764	6,372	6,395	23
Total, Personnel Comp. & Benefits	**$418,277**	**$301,257**	**$201,436**	**($99,821)**
Other Object Classes:				
21.0 Travel and transportation of persons	183,261	113,500	58,500	(55,000)
22.0 Transportation of things	86,744	25,250	2,250	(23,000)
23.1 Rental payments to GSA	15,352	14,300	13,300	(1,000)
23.2 Rental payments to others	130,768	123,000	13,000	(110,000)
23.3 Communications, utilities, & misc. charges	72,678	54,500	20,500	(34,000)
24.0 Printing and reproduction	8,831	3,950	2,950	(1,000)
25.1 Advisory and assistance services	20,198	5,500	750	(4,750)
25.2 Other services	1,298,823	581,574	160,000	(421,574)
25.3 Purchases of goods & svcs. from Gov't accounts	8,777,881	1,510,500	175,552	(1,334,948)
25.4 Operation and maintenance of facilities	174,100	76,900	6,900	(70,000)
25.5 Research and development contracts	3,199	100	100	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	7,224	4,000	2,200	(1,800)
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	374,780	104,000	14,000	(90,000)
31.0 Equipment	2,456,345	755,000	28,500	(726,500)
32.0 Land and structures	7,518	1,200	1,200	---
41.0 Grants, subsidies, and contributions	9,122,747	21,038,658	2,338,936	(18,699,722)
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$22,740,449**	**$24,411,932**	**$2,838,638**	**($21,573,294)**
Total, Direct Obligations	**$23,158,726**	**$24,713,189**	**$3,040,074**	**($21,673,115)**
Unobligated balance, start of year	(712,723)	(46,529,010)	(906,321)	45,622,689
Unobligated balance, transferred	---	752,500	---	(752,500)
Rescission of prior year authority	---	23,409,300	---	(23,409,300)
Unobligated balance, end of year	46,529,010	906,321	307,637	(598,684)
Recoveries of prior year obligations	(547,633)	(1,500,000)	(500,000)	1,000,000
Total Requirements	**$68,427,380**	**$1,752,300**	**$1,941,390**	**$189,090**

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX				---
GS-15	21	22	25	3
GS-14	4	3	---	(3)
GS-13	---	---	---	---
GS-12	---	---	---	---
GS-11	---	---	---	---
GS-10	---	---	---	---
GS-9	---	---	---	---
GS-8	---	---	---	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**25**	**25**	**25**	---
Unfilled Positions EOY	2	---	---	---
Total Perm. Employment EOY	23	25	25	---
FTE	**5,458**	**3,493**	**3,493**	---
Headquarters	25	25	25	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	**25**	**25**	**25**	---
Average ES Salary	$---	$---	$---	$---
Average GS Salary	$112,734	$115,781	$118,272	$2,491
Average GS Grade	14.84	14.88	15.00	0.12

G. Capital Investment and Construction Initiative Listing

FEDERAL EMERGENCY MANAGEMENT AGENCY
DISASTER RELIEF

INITIATIVE NAME	FY 2007 FUNDING REQUEST $(000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
None	$0	$0	$0	Not applicable	Not applicable
Total Non-IT Investments $5 million or more	$0	$0	$0		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$0	$0	$0		
Total of IT Investments	$21,909	$6,480	$28,389		
Total all IT and Non-IT Investments	$21,909	$6,480	$28,389		

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
PPA: Disaster Relief
Funding Schedule
(Dollars in Thousands)

PPA: Disaster Relief		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$2,600	$2,684	$2,749	$65
11.3	Other than perm	240,069	196,477	134,604	(61,873)
11.5	Other per comp	128,547	61,636	31,676	(29,960)
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	39,297	34,088	26,012	(8,076)
13.0	Benefits-former	7,764	6,372	6,395	23
21.0	Travel	183,261	113,500	58,500	(55,000)
22.0	Transportation of things	86,744	25,250	2,250	(23,000)
23.1	GSA rent	15,352	14,300	13,300	(1,000)
23.2	Other rent	130,768	123,000	13,000	(110,000)
23.3	Communications, utilities, and misc charges	72,678	54,500	20,500	(34,000)
24.0	Printing	8,831	3,950	2,950	(1,000)
25.1	Advisory & assistance services	20,198	5,500	750	(4,750)
25.2	Other services	1,298,823	581,574	160,000	(421,574)
25.3	Purchases from Govt. accts.	8,777,881	1,510,500	175,552	(1,334,948)
25.4	Operation & maintenance of facilities	174,100	76,900	6,900	(70,000)
25.5	Research & development	3,199	100	100	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	7,224	4,000	2,200	(1,800)
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	374,780	104,000	14,000	(90,000)
31.0	Equipment	2,456,345	755,000	28,500	(726,500)
32.0	Land & structures	7,518	1,200	1,200	---
41.0	Grants/subsidies/contributions	9,122,747	21,038,658	2,338,936	(18,699,722)
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Disaster Relief		**$23,158,726**	**$24,713,189**	**$3,040,074**	**($21,673,115)**
Full Time Equivalents		5,458	3,493	3,493	---

PPA Mission Statement

Through the Disaster Relief Fund (DRF), DHS provides a significant portion of the total Federal response to victims in Presidentially declared major disasters and emergencies. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), 42 U.S.C. 5121-5206 (Public Law 93-288, as amended), authorizes the President to provide Federal assistance to supplement State and local governments' disaster response, recovery, readiness, and mitigation efforts. Under Executive Order 12148, as amended by Executive Order 13286, FEMA's Director, formerly DHS' Under Secretary for the Emergency Preparedness and Response Directorate, has been delegated the responsibility for administering the Federal Government's disaster assistance programs. The Stafford Act authorizes five types of declarations or actions: (1) Major Disaster, (2) Emergency, (3) Fire Management Assistance, (4) Defense Emergency, and (5) Pre-declaration activities.

FEMA's disaster programs will be impacted for a long time to come by the 2005 hurricane season, as the Gulf Region recovers from the 2005 hurricane season. The 2005 hurricane season was the most active in U.S. history.

Coupled with funding from recoveries of prior year obligations and unobligated funds carried forward, the FY 2007 appropriation request for Disaster Relief is designed to fund disaster support costs and the five-year average for direct disaster activity (excluding extraordinary events, such as the terrorist attack of September 11, the 2004 hurricanes in Florida and other States, and hurricanes Katrina and Rita in 2005).

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	**$418,277**	**$301,257**	**$201,436**	**($99,821)**

Salaries and Benefits include costs for 3,493 FTEs. The FY 2007 request includes an increase of $1,376,000 for the proposed January 2007 2.2 percent pay raise, offset by a decrease of $101,197,000 as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	**$183,261**	**$113,500**	**$58,500**	**($55,000)**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	**$86,744**	**$25,250**	**$2,250**	**($23,000)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	**$15,352**	**$14,300**	**$13,300**	**($1,000)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other rent	**$130,768**	**$123,000**	**$13,000**	**($110,000)**

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	**$72,678**	**$54,500**	**$20,500**	**($34,000)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	**$8,831**	**$3,950**	**$2,950**	**($1,000)**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	**$20,198**	**$5,500**	**$750**	**($4,750)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$1,298,823**	**$581,574**	**$160,000**	**($421,574)**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$8,777,881**	**$1,510,500**	**$175,552**	**($1,334,948)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of facilities	**$174,100**	**$76,900**	**$6,900**	**($70,000)**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Research and development	**$3,199**	**$100**	**$100**	**$0**

Research and Development includes costs for contracts for the conduct of basic and applied research and development. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of equipment	**$7,224**	**$4,000**	**$2,200**	**($1,800)**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$374,780**	**$104,000**	**$14,000**	**($90,000)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$2,456,345**	**$755,000**	**$28,500**	**($726,500)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Land & structures	**$7,518**	**$1,200**	**$1,200**	**$0**

Land and structures include the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$9,122,747**	**$21,038,658**	**$2,338,936**	**($18,699,722)**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request includes a decrease as Disaster Relief expenses return to an average year following the spike in FY 2006 from the 2005 hurricane season.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Disaster Relief	$4,885	$5,775	$6,118	$343
Total Working Capital Fund	**$4,885**	**$5,775**	**$6,118**	**$343**

J: Requests for Disaster Declarations Versus Actual Declarations By Fiscal Year

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief

Fiscal Year		Declaration Requests Received				Declarations			
		Major Disasters	Emergencies	Fire Management	Total Requests	Major Disasters	Emergencies	Fire Management	Total Declarations
1996		85	3	87	175	72	2	75	149
1997	1/	66	4	3	73	49	6	3	58
1998	2/	69	8	122	199	61	9	54	124
1999		67	17	84	168	53	16	37	106
2000		49	8	109	166	40	5	58	103
Subtotal		336	40	405	781	275	38	227	540
2001		59	16	43	118	50	15	39	104
2002	3/	52	5	86	143	42	1	83	126
2003		72	23	35	130	62	19	34	115
2004	4/	78	8	58	144	65	7	57	129
2005		54	68	30	152	45	67	27	139
Subtotal		315	120	252	687	264	109	240	613
Total		651	160	657	1,468	539	147	467	1,153
Averages:									
1996-2000		67	8	81	156	55	8	45	108
2001-2005		63	24	50	137	53	22	48	123
1996-2005		65	16	66	147	54	15	47	116

1/ Two of the requests for major declarations were turned down but were declared as emergencies instead.
2/ One of the requests for a major declaration was turned down but was declared an emergency instead.
3/ The Disaster Mitigation Act of 2000 expanded FEMA's authority to assist State and local governments (including tribes) in addressing fires that threaten such destruction as would warrant a major disaster declaration.
4/ One of the requests for an emergency declaration was withdrawn by the State.

K: Average Appropriations and Obligations

Department of Homeland Security
Federal Emergency Management Agency
Disaster Relief
(Dollars in Thousands)

	Appropriations			Obligations - Nominal Dollars													
							Large Disasters 1/										Without
FY	Annual	Supplemental 2/	Total	Total DRF	Disaster Support	Total Declarations	Pre-1996 Large Disasters	Fran	Red River	Georges	Floyd	Fl. Flood	Allison	Terrorist Attacks	Isabel	2004 Hurricanes 3/	2005 Hurricanes 4/	Large Disasters
1996	222,000	3,171,000	3,393,000	3,613,602	93,294	3,520,308	1,231,041	$282,296	...	...	...	...	...	...	...	...	...	2,006,971
1997	1,320,000	3,300,000	4,620,000	4,344,924	111,071	4,233,853	1,711,968	280,285	$503,901	...	...	...	...	...	...	...	...	1,737,699
1998	320,000	1,600,000	1,920,000	4,067,094	124,945	3,942,149	576,204	-4,986	156,814	$992,002	...	...	...	...	...	...	...	2,222,115
1999	307,745	1,806,000	2,113,745	4,402,612	118,453	4,284,159	527,379	50,799	69,771	1,490,100	$124,390	...	...	...	...	...	...	2,021,720
2000	295,976	1,386,000	1,681,976	2,375,013	126,410	2,248,603	8,421	22,984	-13,294	-89,988	$59,743	...	...	...	...	...	...	1,460,817
Subtotal	2,465,721	11,263,000	13,728,721	18,803,245	574,173	18,229,072	4,055,013	631,298	717,192	2,392,114	984,133	...	...	...	...	...	...	9,449,322
2001	293,587	3,353,133	3,646,720	3,461,008	128,645	3,332,363	27,290	-8,791	20,502	-68,427	88,250	$421,669	$646,765	$291,874	...	...	...	1,913,233
2002	611,100	9,037,571	9,648,671	3,937,094	127,385	3,809,709	-41,294	511	-1,512	-74,782	-3,624	187,725	352,066	1,866,556	...	...	...	1,514,063
2003	779,363	1,925,300	2,698,663	9,689,238	131,551	9,557,687	-11,070	-1,749	4,502	62,096	-3,337	-6,180	206,216	6,470,725	$137,235	...	...	2,699,249
2004	1,767,510	2,245,000	4,012,510	4,858,924	158,531	4,700,393	-11,323	-875	500	-56,800	-13,997	18,116	178,642	158,557	423,280	$2,131,901	...	1,872,392
2005	2,042,380	42,223,200	44,265,580	23,158,726	166,324	22,992,402	-9,782	-2,585	-1,788	-3,887	-5,601	7,151	-11,548	17,440	38,015	5,039,996	$15,816,939	2,112,052
Subtotal	5,487,940	58,784,204	64,272,144	45,104,990	712,436	44,392,554	-46,179	-13,491	22,204	-141,800	61,691	624,481	1,372,141	8,805,152	598,530	7,171,897	15,816,939	10,120,989
Total, 96-05	7,953,661	70,047,204	78,000,865	63,908,235	1,286,609	62,621,626	4,008,834	617,807	739,396	2,250,314	1,045,824	624,481	1,372,141	8,805,152	598,530	7,171,897	15,816,939	19,570,311

Averages for Appropriations

	Nominal $$
1996-2000 Annual Approp.	493,144
1996-2000 Supplementals	2,252,600
1996-2000 Total Approp.	2,745,744
2001-05 Annual Approp.	1,097,588
2001-05 Supplementals	11,756,841
2001-05 Total Approp.	12,854,429
1996-05 Annual Approp	795,366
1996-05 Supplementals	7,004,720
1996-05 Total Approp.	7,800,087

Averages for Declarations

		Nominal $$	2005 $$	2006 $$	2007 $$
1996-2000	All disasters	3,645,814	4,461,570	4,597,866	4,748,407
1996-2000	Not including Northridge/Terrorist Attacks	2,918,085	3,557,576	3,666,255	3,786,294
2001-2005	All disasters	8,878,511	9,198,290	9,479,287	9,789,654
2001-2005	Not including Northridge/Terrorist Attacks	7,117,387	7,305,331	7,528,501	7,774,996
2001-2005	Not including Northridge/Terrorist Attacks/2004 Hurricanes/2005 Hurricanes	2,519,620	2,692,004	2,774,241	2,865,874
1996-2005	All disasters	6,262,163	6,829,930	7,038,576	7,269,030
1996-2005	Not including Northridge/Terrorist Attacks	5,017,736	5,431,453	5,597,378	5,780,645
1996-2005	Not including Northridge/Terrorist Attacks/2004 Hurricanes/2005 Hurricanes	2,718,852	3,124,790	3,220,248	3,325,684

Nominal dollars are unadjusted for inflation. A purchase is recorded at prices paid that year.

1/ Disaster events (may involve more than 1 State) with costs projected to exceed $500M.
2/ Includes release of contingency funds.
3/ Includes the following events from tropical storms/hurricanes: Bonnie/Charley, Frances, Ivan, & Jeanne. Each of these events has projected costs exceeding $500M.
4/ Includes hurricanes Katrina and Rita
Prepared by FA-BS

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Department of Homeland Security

Federal Emergency Management Agency

Disaster Assistance Direct Loan Program Account

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

I. Appropriation Overview

A. Mission Statement for Disaster Assistance Direct Loan Program Account (DADLPA): This account provides administrative funds and subsidies for direct disaster assistance loans.

B. Budget Activities:

Disaster assistance loans authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) are loans to States for the non-Federal portion of cost-sharing funds and community disaster loans to local governments incurring substantial loss of tax and other revenues as a result of a major disaster. The funds requested for this program include direct loans and a subsidy based on criteria including loan amount and interest charged. As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans), as well as administrative expenses of this program. The subsidy amounts are estimated on a present-value basis; the administrative expenses are estimated on a cash basis.

C. Budget Request Summary:

The FEMA FY 2007 request for the DADLPA is 3 positions, 3 FTE, and $569,000. Adjustments to base total 0 FTE and -$752,492,000: a reduction of $752,500,000 for subsidy and administrative expenses associated with awarding Community Disaster Loans (CDLs) in the Gulf Region in FY 2006 and an increase of $8,000 for pay related costs. No program increase is requested.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Limitation on Direct Loans - Subsidy	---	---	---	$750,000	---	---	---	($750,000)	---	---	---	($750,000)
Administrative Expenses	3	$567	3	3,061	3	$569	---	(2,492)	---	---	---	(2,492)
Subtotal, Enacted Appropriations and Budget Estimates	**3**	**$567**	**3**	**$753,061**	**3**	**$569**	---	**($752,492)**	---	---	---	**($752,492)**
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**3**	**$567**	**3**	**$753,061**	**3**	**$569**	---	**($752,492)**	---	---	---	**($752,492)**

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
Program Performance Justification
(Dollars in thousands)

PPA: LIMITATION ON DIRECT LOANS

SUBSIDY

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$0**
2006 Revised Enacted	**0**	**0**	**750,000***
2007 Adjustments to Base	0	0	(750,000)
2007 Current Services	**0**	**0**	**0**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**0**
Total Change 2006-2007	0	0	(750,000)

LOAN LIMITATION

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$25,000**
2006 Revised Enacted	**0**	**0**	**1,025,000**
2007 Adjustments to Base	0	0	(1,000,000)
2007 Current Services	**0**	**0**	**25,000**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**25,000**
Total Change 2006-2007	0	0	(1,000,000)

FEMA requests no subsidy and a loan limit of $25,000,000 for this activity. This is a decrease of $750,000,000 in subsidy and $1,000,000,000 in loan limitation.

CURRENT SERVICES PROGRAM DESCRIPTION:

FEMA's loan program consists of two types of direct loans:

State Share Loans. FEMA may lend or advance to a State or an eligible applicant the portion of assistance for which the applicant is responsible under cost-sharing provisions of the Stafford Act. To be deemed eligible for a loan, the governor of the affected State must demonstrate, where damage is overwhelming and severe, that the State is unable to assume its financial responsibility to meet the cost-share due to one or both of the following conditions: (1) the State is responding to concurrent, multiple disasters/emergencies; and/or (2) the State has incurred extraordinary costs as a result of a particular disaster or emergency. For 1992 and beyond, the State Share loans are obligated from the Disaster Assistance Direct Loan Financing Account (DADLFA).

* Subsidy provided as a transfer from Disaster Relief Fund pursuant to P.L. 109-88

Community Disaster Loans (CDLs). Loans may be authorized to local governments that have suffered a substantial loss of tax and other revenues as a result of a major disaster, and have demonstrated a need for financial assistance in order to perform their municipal operating functions. The loans, not to exceed 25 percent of the annual operating budget of that local government for the fiscal year in which the major disaster occurred, are made at the current Treasury rate for a term of 5 years. In addition, in accordance with recent Stafford Act amendments (P. L. 109-88), CDLs may exceed $5 million and shall not be canceled. A local government is not eligible for further CDLs during any period in which the jurisdiction is in arrears with respect to required repayment of an existing loan. Between FY 1992 and FY 2006, FEMA approved State Share Loans and CDLs in excess of $383 million. For FY 2006, subsidy totaling $750,000,000 has been approved for up to $1,000,000,000 in CDLs to local governments in the Gulf Region affected by the 2005 hurricane season. As of January 1, 2006, loans totaling $392 million had been approved.

Three accounts are used to record cash flow data for direct loans:

- DADLPA. This is the budget account into which an appropriation is made to cover the subsidy costs of a direct loan, and from which such costs are disbursed into the financing account. A separate amount for administrative expenses is also appropriated into the program account.

- Disaster Assistance Loan Liquidating Account. This budget account records all cash flows to and from FEMA for pre-1992 direct loans made under the State Share Loan and CDL programs. There is no longer any activity in this account.

- DADLFA. This non-budgetary account records all cash flows to and from FEMA resulting from CDLs and State Share direct loans obligated in 1992 and beyond. This account holds balances, receives the subsidy cost payment from the program account, and includes all other cash flows resulting from post-1991 direct loans. The funds in this account are a means of financing and are not included in the budget totals.

For FY 2007, FEMA is requesting a loan limit of $25,000,000 for State Share Loans only. No subsidy is required.

PPA: ADMINISTRATIVE EXPENSES

	Perm Pos	FTE	Amount
2005 Actual	**3**	**3**	**$567**
2006 Revised Enacted	**3**	**3**	**3,061**
2007 Adjustments to Base	0	0	(2,492)
2007 Current Services	**3**	**3**	**569**
2007 Program Change	0	0	0
2007 Request	**3**	**3**	**569**
Total Change 2006-2007	0	0	(2,492)

FEMA requests $.569 million for this activity. This is a decrease of $2.492 million from FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This account provides administrative funds that support direct disaster assistance loans. During FY 2006, FEMA will use $2,500,000 in administrative funds to process $1 billion in CDLs to local governments in the Gulf Region affected by 2005 hurricanes.

For FY 2007, FEMA is requesting administrative expenses of $569,000 to support 3 full-time equivalents and to:

- Maintain capability to audit financial reports, to size the loan initially, and to assess justification for forgiveness

- Review and map the current CDL process from application for the loan through closeout with the goal of streamlining the CDL processes for application, application review, conduct of audits, and negotiated repayment plans by FY 2009

- Process applications and requests for forgiveness as necessary

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Disaster Assistance Direct Loan Program Account
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Disaster Assistance Direct Loan Program Account
Appropriation Language

For administrative expenses to carry out the direct loan program, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5162), [$567,000]***$569,000***: *Provided,* That gross obligations for the principal amount of direct loans shall not exceed $25,000,000: *Provided further,* That the cost of modifying such loans shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Disaster Assistance Direct Loan Program Account
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**3**	**3**	**567**
2006 Revised Enacted	**3**	**3**	**753,061**
Adjustments to Base			
Increases			
2007 pay increase	---	---	8
Total Increases	---	---	8
Decreases			
Termination of one-time costs:			
Community Disaster Loan subsidy and admin. expenses	---	---	(752,500)
Total Decreases	---	---	(752,500)
Total Adjustments to Base	---	---	**(752,492)**
2007 Current Services	**3**	**3**	**569**
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	---
2007 Request	**3**	**3**	**569**
2006 to 2007 Total Change	---	---	**(752,492)**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	3	3	$567
2006 Revised Enacted	3	3	753,061
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	8
Decreases	---	---	(752,500)
Total Adjustments to Base	---	---	(752,492)
2007 Current Services	3	3	569
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	3	3	569
2006 to 2007 Total Change	---	---	(752,492)

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Limitation on Direct Loans	---	---	$750,000	---	---	($750,000)	---	---	---	---	---	---	---	---	($750,000)
2 Administrative Expenses	3	3	3,061	---	---	(2,492)	---	---	---	3	3	569	---	---	(2,492)
Total	3	3	$753,061	---	---	($752,492)	---	---	---	3	3	$569	---	---	($752,492)

D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$282	$292	$297	$5
11.3 Other than full-time permanent	---	---	---	---
11.5 Other personnel compensation	3	3	3	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	66	68	71	3
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$351**	**$363**	**$371**	**$8**
Other Object Classes:				
21.0 Travel and transportation of persons	---	15	15	---
22.0 Transportation of things	---	---	---	---
23.1 Rental payments to GSA	---	---	---	---
23.2 Rental payments to others	---	---	---	---
23.3 Communications, utilities, & misc. charges	---	---	---	---
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services	---	2,500	---	(2,500)
25.2 Other services	2	183	183	---
25.3 Purchases of goods & svcs. from Gov't accounts	---	---	---	---
25.4 Operation and maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	---	---	---	---
31.0 Equipment	---	---	---	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	8,023	750,000	---	(750,000)
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$8,025**	**$752,698**	**$198**	**($752,500)**
Total, Direct Obligations	**$8,376**	**$753,061**	**$569**	**($752,492)**
Unobligated balance, start of year	(9,843)	(9,843)	(9,843)	---
Unobligated balance, end of year	9,843	9,843	9,843	---
Unobligated balance expiring	214	---	---	---
Re-estimate	(8,023)	---	---	---
Total Requirements	**$567**	**$753,061**	**$569**	**-$752,492**

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15				---
GS-14	2	1	1	---
GS-13	1	2	2	---
GS-12	---	---	---	---
GS-11	---	---	---	---
GS-10	---	---	---	---
GS-9	---	---	---	---
GS-8	---	---	---	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	3	3	3	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	3	3	3	---
FTE	3	3	3	---
Headquarters	3	3	3	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	3	3	3	---
Average ES Salary	$---	$---	$---	$---
Average GS Salary	$92,820	$82,509	$84,242	$1,733
Average GS Grade	13.67	13.33	13.33	---

G. Capital Investment and Construction Initiative Listing						
FEDERAL EMERGENCY MANAGEMENT AGENCY						
DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT						
Not applicable						

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
PPA: Limitation on Direct Loans
Funding Schedule
(Dollars in Thousands)

PPA: Limitation on Direct Loans		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	---	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	8,023	750,000	---	(750,000)
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Disaster Loans - Limitation		**$8,023**	**$750,000**	**$0**	**($750,000)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

FEMA's loan program consists of two types of direct loans: (1) State Share Loans where FEMA may lend or advance to a State or an eligible applicant the portion of assistance for which the applicant is responsible under cost-sharing provisions of the Stafford Act and (2) Community Disaster Loans (CDLs), which may be authorized to local governments that have suffered a substantial loss of tax and other revenues as a result of a major disaster, and have demonstrated a need for financial assistance in order to perform their municipal operating functions.

For FY 2006, subsidy totaling $750,000,000 has been approved for up to $1,000,000,000 in CDLs to local governments in the Gulf Region affected by the 2005 hurricane season. As of January 1, loans totaling $392 million had been approved.

For FY 2007, FEMA is requesting a loan limit of $25,000,000 for State Share Loans only. No subsidy is required.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$8,023**	**$750,000**	**$0**	**($750,000)**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request includes a decrease of $750,000,000 associated with subsidy for CDLs provided to the Gulf Region in FY 2006.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
PPA: Administrative Expenses
Funding Schedule
(Dollars in Thousands)

PPA: Administrative Expenses		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$282	$292	$297	$5
11.3	Other than perm	---	---	---	---
11.5	Other per comp	3	3	3	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	66	68	71	3
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	15	15	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	2,500	---	(2,500)
25.2	Other services	2	183	183	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	---	---	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Disaster Loans - Admin. Expenses		**$353**	**$3,061**	**$569**	**($2,492)**
Full Time Equivalents		3	3	3	---

PPA Mission Statement

This account provides administrative funds that support direct disaster assistance loans.

During FY 2006, FEMA will use $2,500,000 in supplemental administrative funds to process $1 billion in Community Disaster Loans (CDLs) to local governments in the Gulf Region affected by the 2005 hurricanes. For FY 2007, FEMA is requesting a base level of administrative expenses of $569,000 to support 3 full-time equivalents.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	$351	$363	$371	$8

Salaries and Benefits include costs for 3 FTEs. The FY 2007 request includes an increase of $8,000 for the proposed January 2007 2.2 percent pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	$0	$15	$15	$0

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	$0	$2,500	$0	($2,500)

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $2,500,000 in supplemental funds used to process CDLs in FY 2006.

GSA Rent includes all payments to General Services A

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	$2	$183	$183	$0

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request is the same as the FY 2006 level.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Disaster Assistance Direct Loan Program Account
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Limitation on Direct Loans	---	---	---	---
Administrative Expenses	$2	$2	$2	---
Total Working Capital Fund	**$2**	**$2**	**$2**	---

Department of Homeland Security

Federal Emergency Management Agency

Flood Map Modernization Fund

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
FLOOD MAP MODERNIZATION FUND

I. Appropriation Overview

A. Mission Statement for the Flood Map Modernization Fund: The Flood Map Modernization Fund (FMMF) supports the effort to update and modernize the Nation's flood hazard data inventory.

B. Budget Activities:

Map Modernization will produce flood maps in geographic information system format for every area where there is flood risk. In addition, the modernization effort is incorporating the latest technology in order to provide the flood hazard data in the most usable format and also to provide modern tools and techniques that will enable FEMA and its State and local partners to produce high-quality data while managing cost and schedule constraints. FEMA's current approach for Flood Map Modernization assumes that a large percentage of the existing flood hazard data is still valid and that revising map information and boundary adjustments are the necessary changes needed to update the flood hazard maps. FEMA is also partnering with State and local governments to help develop their capability for managing and maintaining their flood hazard data.

C. Budget Request Summary:

The FEMA FY 2007 request for the FMMF is 33 positions, 33 FTE, and $198,980,000. Adjustments to base total 0 FTE and $980,000. No increase in program funding is requested.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Flood Map Modernization Fund	13	$200,000	33	$198,000	33	$198,980	---	$980	---	---	---	$980
Subtotal, Enacted Appropriations and Budget Estimates	**13**	**$200,000**	**33**	**$198,000**	**33**	**$198,980**	**---**	**$980**	**---**	**---**	**---**	**$980**
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	**13**	**$200,000**	**33**	**$198,000**	**33**	**$198,980**	**---**	**$980**	**---**	**---**	**---**	**$980**

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
Program Performance Justification
(Dollars in thousands)

PPA: FLOOD MAP MODERNIZATION FUND

	Perm Pos	FTE	Amount
2005 Actual	**13**	**13**	**$200,000**
2006 Revised Enacted	**33**	**33**	**198,000**
2007 Adjustments to Base	0	0	980
2007 Current Services	**33**	**33**	**198,980**
2007 Program Change	0	0	0
2007 Request	**33**	**33**	**198,980**
Total Change 2006-2007	0	0	980

FEMA requests $198.98 million for this activity. This is an increase of $.98 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Floods inflict more damage and economic losses upon the United States than does any other natural disaster. During the 10 years from fiscal year 1992 through fiscal year 2001, flooding caused more than 900 deaths and resulted in approximately $55 billion in damages. Since 1968, the National Flood Insurance Program (NFIP) has combined the development of flood maps to identify areas at greatest risk of flooding with mitigation efforts to reduce or eliminate flood risks to people and to property and with the availability of affordable flood insurance that property owners can purchase to protect themselves from flood losses.

Flood maps are used more and more each year - currently at least 40 million times annually. The NFIP Reform Act of 1994 significantly increased the use of flood maps in real estate transactions and institutionalizing the floodplain management profession has resulted in a knowledgeable and active community of practitioners. These maps are used as follows:

- To identify flood risk -- examples include community planning or disclosure requirements required for real estate transactions

- To manage flood risk -- examples include adopting and enforcing safe construction requirements or remedial measures such as floodproofing basements

- To define when flood insurance is required and how much it will cost

- To support Federal requirements under Executive Order 11988

The modernized maps will be a substantial improvement in usability and accuracy. The new maps will:

- Provide updated community features such as road networks, community boundaries, etc., to reduce errors in flood hazard determinations
- Resolve issues with ambiguous or incorrectly portrayed flood hazard information
- Be substantially more user-friendly
- Complete flood hazard identification projects for counties at risk for flood hazards, accounting for approximately 70 percent of the Nation's population in 2007
- Use streamlined and automated approaches in the map update process

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Flood Map Modernization Fund
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Flood Map Modernization Fund
Appropriation Language

For necessary expenses pursuant to section 1360 of the National Flood Insurance Act of 1968 [(42 U.S.C. 4101), $200,000,000], ***as amended (42 U.S.C. 4011 et. seq.), $198,980,000*** and such additional sums as may be provided by State and local governments or other political subdivisions for cost-shared mapping activities under section 1360(f)(2) of such Act, to remain available until expended: *Provided,* That total administrative costs shall not exceed 3 percent of the total appropriation. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Flood Map Modernization Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**33**	**13**	**200,000**
2006 Revised Enacted	**33**	**33**	**198,000**
Adjustments to Base			
Increases			
2007 pay increase	---	---	99
Non-pay inflation excluding GSA Rent	---	---	881
Total Increases	---	---	980
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	**---**	**---**	**980**
2007 Current Services	**33**	**33**	**198,980**
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	---
2007 Request	**33**	**33**	**198,980**
2006 to 2007 Total Change	---	---	**980**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	33	13	$200,000
2006 Revised Enacted	33	33	198,000
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	980
Decreases	---	---	---
Total Adjustments to Base	---	---	980
2007 Current Services	33	33	198,980
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	33	33	198,980
2006 to 2007 Total Change	---	---	980

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Flood Map Modernization	33	33	$198,000	---	---	$980	---	---	---	33	33	$198,980	---	---	$980
Total	**33**	**33**	**$198,000**	---	---	**$980**	---	---	---	**33**	**33**	**$198,980**	---	---	**$980**

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D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
State of Louisiana			$333							---	---	---
State of California			100							---	---	---
State of Texas			1,503							---	---	---
States and local governments			---			1,000			1,000	---	---	---
Total Budgetary Resources	---	---	**1,936**	---	---	**1,000**	---	---	**1,000**	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Flood Map Modernization Fund			$1,936			$1,000			$1,000	---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	**1,936**	---	---	**1,000**	---	---	**1,000**	---	---	---

Explanation of Increase/Decrease.
PPA 1: No change

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$777	$3,560	$3,639	$79
11.3 Other than full-time permanent	---	---	---	---
11.5 Other personnel compensation	26	50	50	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	190	890	910	20
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$993**	**$4,500**	**$4,599**	**$99**
Other Object Classes:				
21.0 Travel and transportation of persons	432	500	500	---
22.0 Transportation of things	16	---	---	---
23.1 Rental payments to GSA	262	368	368	---
23.2 Rental payments to others	---	---	---	---
23.3 Communications, utilities, & misc. charges	690	100	100	---
24.0 Printing and reproduction	---	500	500	---
25.1 Advisory and assistance services	72,978	70,586	67,086	(3,500)
25.2 Other services	71,708	68,915	65,597	(3,318)
25.3 Purchases of goods & svcs. from Gov't accounts	1,597	100	100	---
25.4 Operation and maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	1	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	37	30	30	---
31.0 Equipment	358	100	100	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	58,916	60,000	60,000	---
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$206,995**	**$201,199**	**$194,381**	**($6,818)**
Total, Direct Obligations	**$207,988**	**$205,699**	**$198,980**	**($6,719)**
Unobligated balance, start of year	(15,319)	(7,699)	---	7,699
Unobligated balance, end of year	7,699	---	---	---
Recoveries of prior year obligations	(368)	---	---	---
Total Requirements	**$200,000**	**$198,000**	**$198,980**	**$980**

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX				---
GS-15	---	---	---	---
GS-14	1	1	1	---
GS-13	2	6	8	2
GS-12	17	13	13	---
GS-11	---	5	5	---
GS-10	---	---	---	---
GS-9	13	8	6	(2)
GS-8	---	---	---	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**33**	**33**	**33**	---
Unfilled Positions EOY	14	---	---	---
Total Perm. Employment EOY	19	33	33	---
FTE	**13**	**33**	**33**	
Headquarters	3	3	3	---
U.S. Field	30	30	30	---
Foreign Field	---	---	---	---
Total Permanent Positions	**33**	**33**	**33**	---
Average ES Salary	$---	$---	$---	$---
Average GS Salary	$59,769	$61,622	$62,978	$1,356
Average GS Grade	10.94	11.36	11.61	0.24

G. Capital Investment and Construction Initiative Listing

FEDERAL EMERGENCY MANAGEMENT AGENCY

FLOOD MAP MODERNIZATION FUND

INITIATIVE NAME	FY 2007 FUNDING REQUEST $(000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
FEMA - Multi-Hazard Map Modernization 2007	$28,100	$223,900	$252,000	Flood Map Modernization Fund	The cost of this initiative is charged out to Mitigation.
Total Non-IT Investments $5 million or more	$28,100	$223,900	$252,000		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$28,100	$223,900	$252,000		
Total of IT Investments	$0	$0	$0		
Total all IT and Non-IT Investments	$28,100	$223,900	$252,000		

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
PPA: Flood Map Modernization Fund
Funding Schedule
(Dollars in Thousands)

PPA: Flood Map Modernization Fund		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$777	$3,560	$3,639	$79
11.3	Other than perm	---	---	---	---
11.5	Other per comp	26	50	50	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	190	890	910	20
13.0	Benefits-former	---	---	---	---
21.0	Travel	432	500	500	---
22.0	Transportation of things	16	---	---	---
23.1	GSA rent	262	368	368	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	690	100	100	---
24.0	Printing	---	500	500	---
25.1	Advisory & assistance services	72,978	70,586	67,086	(3,500)
25.2	Other services	71,708	68,915	65,597	(3,318)
25.3	Purchases from Govt. accts.	1,597	100	100	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	1	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	37	30	30	---
31.0	Equipment	358	100	100	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	58,916	60,000	60,000	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Flood Map Modernization		**$207,988**	**$205,699**	**$198,980**	**($6,719)**
Full Time Equivalents		13	33	33	---

PPA Mission Statement

The Flood Map Modernization Fund supports the effort to update and modernize the Nation's flood hazard data inventory. Map Modernization will produce flood maps in geographic information system format for every area where there is flood risk. In addition, the modernization effort is incorporating the latest technology in order to provide the flood hazard data in the most usable format and also to provide modern tools and techniques that will enable FEMA and its State and local partners to produce high-quality data while managing cost and schedule constraints. FEMA's current approach for Flood Map Modernization assumes that a large percentage of the existing flood hazard data is still valid and that revising map information and boundary adjustments are the necessary changes needed to update the flood hazard maps.

Floods inflict more damage and economic losses upon the United States than does any other natural disaster. During the 10 years from fiscal year 1992 through fiscal year 2001, flooding caused more than 900 deaths and resulted in approximately $55 billion in damages. Since 1968, the National Flood Insurance Program (NFIP) has combined the development of flood maps to identify areas at greatest risk of flooding with mitigation efforts to reduce or eliminate flood risks to people and to property and with the availability of affordable flood insurance that property owners can purchase to protect themselves from flood losses.

Funding for FY 2007 will allow FEMA to continue with its map modernization effort such that FEMA will complete flood hazard identification projects for counties at risk for flood hazards, accounting for approximately 70 percent of the Nation's population in 2007.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	$993	$4,500	$4,599	$99

Salaries and Benefits include costs for 33 FTEs. The FY 2007 request includes an increase of $99,000 for the proposed January 2007 2.2 percent pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	$432	$500	$500	$0

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	$16	$0	$0	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	$262	$368	$368	$0

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	$690	$100	$100	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	$0	$500	$500	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	$72,978	$70,586	$67,086	($3,500)

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a net decrease of $3,500,000: a decrease of $4,000,000 associated with the obligation of carryover funds in FY 2006 and an increase of $500,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	$71,708	$68,915	$65,597	($3,318)

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a net decrease of $3,318,000: a decrease of $3,699,000 associated with the obligation of carryover funds in FY 2006 and an increase of $381,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	$1,597	$100	$100	$0

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	$37	$30	$30	$0

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$358**	**$100**	**$100**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$58,916**	**$60,000**	**$60,000**	**$0**

Grants/Subsidies/Contribution include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Flood Map Modernization Fund
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Flood Map Modernization Fund	$984	$504	$522	$18
Total Working Capital Fund	**$984**	**$504**	**$522**	**$18**

Department of Homeland Security

Federal Emergency Management Agency

National Flood Insurance Fund

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
NATIONAL FLOOD INSURANCE FUND

I. Appropriation Overview

A. Mission Statement for the National Flood Insurance Fund (NFIF): The NFIF, which was established in the Treasury by the National Flood Insurance Act of 1968, is a fee-generated fund and is the funding mechanism for the National Flood Insurance Program (NFIP). The Act, as amended, authorizes the Federal Government to provide flood insurance on a national basis.

B. Budget Activities:

Flood insurance premiums collected are deposited into the NFIF, and losses and operating and administrative costs are paid out of the fund.

In return for the availability of insurance, communities agree to adopt and to enforce floodplain management measures to reduce losses from future flooding. Flood insurance may be sold or continued in force only in communities that enact and enforce appropriate floodplain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and for some forms of Federal financial assistance for acquisition or construction purposes. In addition, Federally regulated lending institutions cannot provide loans to nonparticipating communities for properties within an identified special flood hazard area. Certain forms of disaster assistance also are restricted in these nonparticipating communities.

C. Budget Request Summary:

The FEMA FY 2007 request for discretionary funding in the NFIF is 270 positions, 270 FTE, and $97,588,000, which is net of $31,000,000 transferred to the National Flood Mitigation Fund. Adjustments to base total 0 FTE and $1,734,000. No increase in program funding is requested.

In addition, FEMA estimates $2,233,024,000 from mandatory collections or premiums. These funds will be used to support repetitive loss mitigation ($50,000,000) and pay claims and other operating expenses of the NFIP.

Finally, a legislative proposal will be submitted with the President's Budget to increase borrowing authority by $5.6 billion for a total of $24.1 billion to pay the unprecedented insurance claims arising from hurricanes Katrina and Rita, as well as interest on the borrowing authority.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	241	$33,336	270	$36,496	270	$38,230	---	$1,734	---	---	---	$1,734
Flood Mitigation	---	62,803	---	59,358		59,358	---	---	---	---	---	---
Severe Repetitive Loss Mitigation	---	---	---	40,000		40,000	---	---	---	---	---	---
Repetitive Loss Mitigation	---	---	---	10,000		10,000	---	---	---	---	---	---
NFIF - Mandatory	---	1,943,615	---	2,054,354		2,183,024	---	128,670	---	---	---	128,670
Offsetting Collections - Discretionary	---	(96,139)	---	(95,854)		(97,588)	---	(1,734)	---	---	---	(1,734)
Subtotal, Enacted Appropriations and Budget Estimates	**241**	**$1,943,615**	**270**	**$2,104,354**	**270**	**$2,233,024**	**---**	**$128,670**	**---**	**---**	**---**	**$128,670**
Less: Adjustments for Other Funding Sources:	---	(1,943,615)	---	(2,104,354)	---	(2,233,024)	---	(128,670)	---	---	---	(128,670)
Net, Enacted Appropriations and Budget Estimates	**241**	---	**270**	---	**270**	---	---	---	---	---	---	---

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
Program Performance Justification
(Dollars in thousands)

PPA: SALARIES AND EXPENSES

	Perm Pos	FTE	Amount
2005 Actual	**270**	**241**	**$33,336**
2006 Revised Enacted	**270**	**270**	**36,496**
2007 Adjustments to Base	0	0	1,734
2007 Current Services	**270**	**270**	**38,230**
2007 Program Change	0	0	0
2007 Request	**270**	**270**	**38,230**
Total Change 2006-2007	0	0	1,734

FEMA requests $38.23 million for this activity. This is an increase of $1.734 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Resources under this activity support the salaries and expenses of FTE managing the NFIP and flood mitigation programs. In FY 2007, FEMA will continue to support the NFIP and to provide operational and administrative support for the Community Rating System.

PPA: FLOOD MITIGATION

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$62,803**
2006 Revised Enacted	**0**	**0**	**59,358**
2007 Adjustments to Base	0	0	0
2007 Current Services	**0**	**0**	**59,358**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**59,358**
Total Change 2006-2007	0	0	0

FEMA requests $59.358 million for this activity. There is no increase over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
Through Flood Mitigation programs, FEMA encourages communities and their citizens to take informed and effective mitigation actions before a flood in order to reduce the long-term risk to people and property. Through the delivery of mitigation programs, FEMA leads a national effort to: identify and improve the understanding of communities' hazards and their risks; develop and improve techniques and

planning processes which mitigate those risks; provide an environment at the State and local levels that is conducive to applying those techniques and processes; provide financial and technical assistance to facilitate application of those techniques and processes; and support development of incentives and disincentives which make application of those techniques and processes a social, political and/or economic priority.

Program Specific:
In FY 2007, FEMA will:

- Develop a variety of outreach materials to assist all entities of Federal, State, and local governments to effectively maintain sound floodplain management practice, and educate the general public on mitigation actions that may be taken in a pre-disaster environment

- Provide ongoing map maintenance activities, issue map revisions, and enhance distribution services, including provisions for digital products, subscription services, and links to other hazard data. Provide funding to States for the development of the capability and capacity to manage the production of and to maintain flood hazard data. These efforts complement and support the Flood Map Modernization Fund activities.

- Provide technical assistance to the 20,000 communities participating in the NFIP and monitor the compliance with program requirements; provide grant funds to States and Territories to help furnish this technical assistance and monitoring; develop policy, guidance, and regulations to improve implementation of floodplain management at the State and community levels, and to enhance compliance by communities with NFIP requirements

PPA: SEVERE REPETITIVE LOSS MITIGATION

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$0**
2006 Revised Enacted	**0**	**0**	**40,000**
2007 Adjustments to Base	0	0	0
2007 Current Services	**0**	**0**	**40,000**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**40,000**
Total Change 2006-2007	0	0	0

FEMA requests $40 million for this activity. There is no increase over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
The Flood Insurance Reform Act of 2004 introduced several new requirements and program initiatives. These include the establishment of a five-year Pilot Program for the Mitigation of Severe Repetitive Loss Properties, authorized at $40 million annually. The Pilot Program focuses on a subset of the repetitive loss properties – severe repetitive loss properties - that have the largest impact on claims paid form the NFIF. Not counting those properties lost during the 2005 hurricane season, there are currently about 5,400 of these properties that have had four or more losses exceeding $5,000 each or the properties where cumulative losses exceed the property value. Mitigating these properties will result in savings to the NFIF. This program will be funded from mandatory, premium collections.

PPA: REPETITIVE LOSS MITIGATION

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$0**
2006 Revised Enacted	**0**	**0**	**10,000**
2007 Adjustments to Base	0	0	0
2007 Current Services	**0**	**0**	**10,000**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**10,000**
Total Change 2006-2007	0	0	0

FEMA requests $10 million for this activity. There is no increase over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
The Flood Insurance Reform Act of 2004 introduced several new requirements and program initiatives. These include the establishment of a grant program which provides a mechanism to mitigate properties that have experienced repetitive losses where the State or community does not meet eligibility requirements under the Flood Mitigation Assistance program. Although not necessarily focused on Severe Repetitive Loss Properties as defined above, the Act does direct FEMA to give priority to "Worst-Case Properties" that would result in the greatest savings to the NFIF. This program will be funded from mandatory, premium collections.

PPA: NFIF MANDATORY

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$1,943,615**
2006 Revised Enacted	**0**	**0**	**2,054,354**
2007 Adjustments to Base	0	0	128,670
2007 Current Services	**0**	**0**	**2,183,024**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**2,183,024**
Total Change 2006-2007	0	0	128,670

FEMA requests $2,183.024 million for this activity. This is an increase of $128.67 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities that enact and enforce appropriate floodplain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes. In addition, Federally regulated funding institutions cannot provide loans to nonparticipating communities with an identified flood hazard.

More than 20,000 communities in all States and Territories participate in the NFIP. Structures built to NFIP criteria experience 80 percent less damage through reduced frequency and severity of losses. The flood mitigation program requirements are estimated to save in excess of $1 billion per year in flood losses avoided. The NFIP limits the impact of disaster by encouraging property owners and others to manage their risk through flood insurance and other hazard insurance mechanisms.

Program Specific:
In FY 2007, FEMA will continue to pay claims and issue policies. In addition, FEMA will:

- Begin implementation of NFIP modernized systems (NextGen), incorporating state-of-the-art business practices and technologies and assuring that operating integrity, cost efficiency, and customer service standards are met or exceeded

- Continue implementation of recommendations from independent NFIP evaluation

- Conduct the annual underwriting review of experience

- Modify the NFIP outreach campaign based on results of evaluation

A legislative proposal will be submitted with the President's Budget to increase borrowing authority by $5.6 billion for a total of $24.1 billion to pay the unprecedented insurance claims arising from hurricanes Katrina and Rita, as well as interest on the borrowing authority.

PPA: NFIF OFFSETTING COLLECTIONS - DISCRETIONARY

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$96,139**
2006 Revised Enacted	**0**	**0**	**95,854**
2007 Adjustments to Base	0	0	1,734
2007 Current Services	**0**	**0**	**97,588**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**97,588**
Total Change 2006-2007	0	0	1,734

FEMA requests $97.588 million for this activity. This is an increase of $1.734 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
In FY 2007, the budget assumes collection of all of the administrative and program costs associated with flood insurance activities from policyholders.

PPA: NFIF OFFSETTING COLLECTIONS - MANDATORY

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$1,943,615**
2006 Revised Enacted	**0**	**0**	**2,104,354**
2007 Adjustments to Base	0	0	128,670
2007 Current Services	**0**	**0**	**2,233,024**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**2,233,024**
Total Change 2006-2007	0	0	128,670

FEMA requests $2,233.024 million for this activity. This is an increase of $128.67 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

In FY 2007, the budget assumes premium collections for the repetitive loss initiatives, claims, operating expenses, and interest payments.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
National Flood Insurance Fund
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in National Flood Insurance Fund
Appropriation Language

[For activities under the National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.), not to exceed $36,496,000 for salaries and expenses associated with flood mitigation and flood insurance operations; and not to exceed $40,000,000 for financial assistance under section1361A of such Act to States and communities for taking actions under such section with respect to severe repetitive loss properties, to remain available until expended; not to exceed $10,000,000 for mitigation actions under section 1323 of such Act; and not to exceed $99,358,000 for flood hazard mitigation, to remain available until September 30, 2007, including up to $40,000,000 for expenses under section 1366 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104c), which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2007, and which amount shall be derived from offsetting collections assessed and collected pursuant to section 1307 of that Act (42 U.S.C. 4014), and shall be retained and used for necessary expenses under this heading: *Provided,* That in fiscal year 2006, no funds in excess of: (1) $55,000,000 for operating expenses; (2) $660,148,000 for commissions and taxes of agents; and (3) $30,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund.]

For activities under the National Flood Insurance Act of 1968, as amended, and the Flood Protection Act of 1973, as amended, $128,588,000, which is available as follows:

(a) not to exceed $38,230,000 for salaries and expenses associated with flood mitigation and flood insurance operations;

(b) not to exceed $90,358,000 for flood hazard mitigation which shall be derived from offsetting collections assessed and collected pursuant to section 1307 of the Act, to remain available until September 30, 2008, including up to $31,000,000 for flood mitigation expenses under section 1366 of the Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2008:

Provided, That in fiscal year 2007, no funds in excess of: (1) $70,000,000 for operating expenses; (2) $692,999,000 for commissions and taxes of agents; (3) such sums as necessary for interest on Treasury borrowings shall be available from the National Flood Insurance Fund; and (4) not to exceed $50,000,000 for flood mitigation actions with respect to severe repetitive loss properties under section 1361A of the Act and repetitive insurance claims properties under section 1323 of the Act, which shall remain available until expended: Provided, That total administrative costs shall not exceed three percent of the appropriation. *(42 U.S.C. 4001 et seq.; Department of Homeland Security Appropriations Act, 2006)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
National Flood Insurance Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**270**	**241**	**2,039,754**
2006 Revised Enacted	**270**	**270**	**2,200,208**
Adjustments to Base			
Increases			
2007 pay increase	---	---	675
Non-pay inflation excluding GSA Rent	---	---	1,059
Collection of premiums	---	---	128,670
Total Increases	---	---	130,404
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	---	---	**130,404**
2007 Current Services	**270**	**270**	**2,330,612**
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	**(2,330,612)**
2007 Request	**270**	**270**	---
2006 to 2007 Total Change	---	---	**(2,200,208)**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	270	241	$ 2,047,661
2006 Revised Enacted	270	270	$ 2,200,208
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	130,404
Decreases	---	---	---
Total Adjustments to Base	---	---	130,404
2007 Current Services	270	270	2,330,612
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
Adjustment for Other Funding Sources	---	---	(2,330,612)
2007 Total Request	270	270	---
2006 to 2007 Total Change (Net of Collection	---	---	---

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Salaries and Expenses	270	270	$36,496	---	---	$1,734	---	---	---	270	270	$38,230	---	---	$1,734
2 Flood Mitigation	---	---	59,358	---	---	---	---	---	---	---	---	59,358	---	---	---
3 Severe Repetitive Loss Mitigation	---	---	40,000	---	---	10,000	---	---	---	---	---	50,000	---	---	10,000
4 Repetitive Loss Mitigation	---	---	10,000	---	---	(10,000)	---	---	---	---	---	---	---	---	(10,000)
5 NFIF - Mandatory	---	---	2,054,354	---	---	128,670	---	---	---	---	---	2,183,024	---	---	128,670
6 Offsetting Collections- Discretionary	---	---	(95,854)	---	---	(1,734)	---	---	---	---	---	(97,588)	---	---	(1,734)
7 Adj for Other Funding Sources - Mand	---	---	(2,104,354)	---	---	(128,670)	---	---	---	---	---	(2,233,024)	---	---	(128,670)
Total	270	270	---	---	---	---	---	---	---	270	270	---	---	---	---

D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	$22,135	$24,579	$25,863	$1,284
11.3 Other than full-time permanent	186	100	100	---
11.5 Other personnel compensation	506	171	171	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	5,098	5,850	6,300	450
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$27,925**	**$30,700**	**$32,434**	**$1,734**
Other Object Classes:				
21.0 Travel and transportation of persons	1,202	1,700	1,700	---
22.0 Transportation of things	30	50	50	---
23.1 Rental payments to GSA	3,055	3,130	3,130	---
23.2 Rental payments to others	---	---	---	---
23.3 Communications, utilities, & misc. charges	---	355	355	---
24.0 Printing and reproduction	2,923	1,800	1,800	---
25.1 Advisory and assistance services	950	2,000	2,000	---
25.2 Other services	738,212	753,923	799,618	45,695
25.3 Purchases of goods & svcs. from Gov't accounts	1,025	4,000	4,000	---
25.4 Operation and maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	32	100	100	---
31.0 Equipment	282	400	400	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	16,138	65,000	65,000	---
42.0 Insurance claims and indemnities	2,280,794	17,619,689	663,686	(16,956,003)
43.0 Interest and dividends	2,799	763,125	756,339	(6,786)
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$3,047,442**	**$19,215,272**	**$2,298,178**	**($16,917,094)**
Total, Direct Obligations	**$3,075,367**	**$19,245,972**	**$2,330,612**	**($16,915,360)**
Unobligated balance, start of year	(1,077,739)	(2,045,764)	---	2,045,764
Unobligated balance, end of year	2,045,764	---	---	---
Borrowing authority	(2,000,000)	(15,000,000)	---	15,000,000
Recoveries of prior year obligations	(3,638)	---	---	---
Offsetting collections	(2,039,754)	(2,200,208)	(2,330,612)	(130,404)
Total Requirements	---	---	---	---

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	1	1	1	---
Total, EX	1	1	1	---
GS-15	33	33	33	---
GS-14	57	57	57	---
GS-13	57	59	67	8
GS-12	75	77	74	(3)
GS-11	9	5	3	(2)
GS-10	---	---	---	---
GS-9	11	19	16	(3)
GS-8	3	3	3	---
GS-7	15	9	10	1
GS-6	7	5	4	(1)
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	1	1	1	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**270**	**270**	**270**	---
Unfilled Positions EOY	28	---	---	---
Total Perm. Employment EOY	242	270	270	---
FTE	**241**	**270**	**270**	---
Headquarters	134	134	134	---
U.S. Field	136	136	136	---
Foreign Field	---	---	---	---
Total Permanent Positions	**270**	**270**	**270**	---
Average ES Salary	$135,308	$139,503	$142,572	$3,069
Average GS Salary	$82,552	$85,111	$86,984	$1,872
Average GS Grade	12.34	12.43	12.50	0.07

G. Capital Investment and Construction Initiative Listing

FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD INSURANCE FUND

INITIATIVE NAME	FY 2007 FUNDING REQUEST $(000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
None	$0	$0	$0	Not applicable	Not applicable
Total Non-IT Investments $5 million or more	$0	$0	$0		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$0	$0	$0		
Total of IT Investments	$1,380	$0	$1,380		
Total all IT and Non-IT Investments	$1,380	$0	$1,380		

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
PPA: Salaries and Expenses
Funding Schedule
(Dollars in Thousands)

PPA: Salaries and Expenses		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$22,135	$24,579	$25,863	$1,284
11.3	Other than perm	186	100	100	---
11.5	Other per comp	506	171	171	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	5,098	5,850	6,300	450
13.0	Benefits-former	---	---	---	---
21.0	Travel	1,202	1,700	1,700	---
22.0	Transportation of things	---	50	50	---
23.1	GSA rent	2,873	2,943	2,943	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	355	355	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	858	248	248	---
25.3	Purchases from Govt. accts.	124	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	32	100	100	---
31.0	Equipment	282	400	400	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	---	---	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, NFIF - Salaries & Expenses		**$33,296**	**$36,496**	**$38,230**	**$1,734**
Full Time Equivalents		241	270	270	---

PPA Mission Statement

Resources under this activity support the salaries and expenses of FTE managing the NFIP and flood mitigation programs. In FY 2007, FEMA will continue to support the NFIP and to provide operational and administrative support for the Community Rating System.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	$27,925	$30,700	$32,434	$1,734

Salaries and Benefits include costs for 270 FTEs. The FY 2007 request includes an increase of $1,734,000 for the proposed January 2007 2.2 percent pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	$1,202	$1,700	$1,700	$0

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	$0	$50	$50	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	$2,873	$2,943	$2,943	$0

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	$0	$355	$355	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$858**	**$248**	**$248**	**$0**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$124**	**$0**	**$0**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$32**	**$100**	**$100**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$282**	**$400**	**$400**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request is the same as the FY 2006 level.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
PPA: Flood Mitigation
Funding Schedule
(Dollars in Thousands)

PPA: Flood Mitigation		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	1,146	1,800	1,800	---
25.1	Advisory & assistance services	950	2,000	2,000	---
25.2	Other services	38,131	36,558	36,558	---
25.3	Purchases from Govt. accts.	489	4,000	4,000	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	16,138	15,000	15,000	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, NFIF - Flood Mitigation		**$56,854**	**$59,358**	**$59,358**	**$0**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

Through Flood Mitigation programs, FEMA encourages communities and their citizens to take informed and effective mitigation actions before a flood in order to reduce the long-term risk to people and property. Through the delivery of mitigation programs, FEMA leads a national effort to: identify and improve the understanding of communities' hazards and their risks; develop and improve techniques and planning processes which mitigate those risks; provide an environment at the State and local levels that is conducive to applying those techniques and processes; provide financial and technical assistance to facilitate application of those techniques and processes; and support development of incentives and disincentives which make application of those techniques and processes a social, political and/or economic priority.

The FY 2007 request allows FEMA to: develop a variety of outreach materials to assist all entities of Federal, State, and local governments to effectively maintain sound floodplain management practice, and educate the general public on mitigation actions that may be taken in a pre-disaster environment; provide ongoing map maintenance activities, issue map revisions, and enhance distribution services, including provisions for digital products, subscription services, and links to other hazard data; provide funding to States for the development of the capability and capacity to manage the production of and to maintain flood hazard data (these efforts complement and support the Flood Map Modernization Fund activities); and provide technical assistance to the 20,000 communities participating in the NFIP and monitor the compliance with program requirements

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	**$1,146**	**$1,800**	**$1,800**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	**$950**	**$2,000**	**$2,000**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$38,131**	**$36,558**	**$36,558**	**$0**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$489**	**$4,000**	**$4,000**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$16,138**	**$15,000**	**$15,000**	**$0**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
PPA: Severe Repetitive Loss Mitigation
Funding Schedule
(Dollars in Thousands)

PPA: Severe Repetitive Loss Mitigation		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	---	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	40,000	40,000	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, NFIF - Severe Repetitive Loss Mit.		**$0**	**$40,000**	**$40,000**	**$0**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

The Flood Insurance Reform Act of 2004 introduced several new requirements and program initiatives. These include the establishment of a five-year Pilot Program for the Mitigation of Severe Repetitive Loss Properties, authorized at $40 million annually. The Pilot Program focuses on a subset of the repetitive loss properties – severe repetitive loss properties - that have the largest impact on claims paid form the NFIF. Not counting those properties lost during the 2005 hurricane season, there are currently about 5,400 of these properties that have had four or more losses exceeding $5,000 each or the properties where cumulative losses exceed the property value. Mitigating these properties will result in savings to the NFIF. This program will be funded from mandatory, premium collections.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$0**	**$40,000**	**$40,000**	**$0**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations and individuals. The FY 2007 request is the same as the FY 2006 level.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
PPA: Repetitive Loss Mitigation
Funding Schedule
(Dollars in Thousands)

	PPA: Repetitive Loss Mitigation	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	---	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	10,000	10,000	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, NFIF - Repetitive Loss Mitigation		**$0**	**$10,000**	**$10,000**	**$0**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

The Flood Insurance Reform Act of 2004 introduced several new requirements and program initiatives. These include the establishment of a grant program which provides a mechanism to mitigate properties that have experienced repetitive losses where the State or community does not meet eligibility requirements under the Flood Mitigation Assistance program. Although not necessarily focused on Severe Repetitive Loss Properties, the Act does direct FEMA to give priority to "Worst-Case Properties" that would result in the greatest savings to the NFIF. This program will be funded from mandatory, premium collections.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$0**	**$10,000**	**$10,000**	**$0**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations and individuals. The FY 2007 request is the same as the FY 2006 level.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
PPA: Offsetting Fee Collections - Discretionary
Funding Schedule
(Dollars in Thousands)

PPA: Offsetting Fee Collections - Discretionary		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	($22,135)	($24,579)	($25,863)	($1,284)
11.3	Other than perm	(186)	(100)	(100)	---
11.5	Other per comp	(506)	(171)	(171)	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	(5,098)	(5,850)	(6,300)	(450)
13.0	Benefits-former	---	---	---	---
21.0	Travel	(1,202)	(1,700)	(1,700)	---
22.0	Transportation of things	---	(50)	(50)	---
23.1	GSA rent	(2,873)	(2,943)	(2,943)	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	(355)	(355)	---
24.0	Printing	(1,146)	(1,800)	(1,800)	---
25.1	Advisory & assistance services	(950)	(2,000)	(2,000)	---
25.2	Other services	(38,989)	(36,806)	(36,806)	---
25.3	Purchases from Govt. accts.	(613)	(4,000)	(4,000)	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	(32)	(100)	(100)	---
31.0	Equipment	(282)	(400)	(400)	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	(16,138)	(15,000)	(15,000)	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Other	(5,989)	---	---	---
Total, NFIF - Offsetting Collections, Disc.		**($96,139)**	**($95,854)**	**($97,588)**	**($1,734)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

In FY 2007, the budget assumes collection of all of the administrative and program costs associated with discretionary flood insurance activities from policyholders. See also the National Flood Mitigation Fund for offsetting collections.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	($27,925)	($30,700)	($32,434)	($1,734)

Salaries and Benefits include offsetting collections for 270 FTEs. The FY 2007 request represents a change in discretionary offsetting collections applied against Salaries and Expenses.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	($1,202)	($1,700)	($1,700)	$0

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	$0	($50)	($50)	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	($2,873)	($2,943)	($2,943)	$0

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	$0	($355)	($355)	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	($1,146)	($1,800)	($1,800)	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	($950)	($2,000)	($2,000)	$0

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	($38,989)	($36,806)	($36,806)	$0

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	($613)	($4,000)	($4,000)	$0

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	($32)	($100)	($100)	$0

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	($282)	($400)	($400)	$0

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	($16,138)	($15,000)	($15,000)	$0

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other	**($5,989)**	**$0**	**$0**	**$0**

Other includes collections realized but unobligated. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
PPA: National Flood Insurance Fund - Mandatory
Funding Schedule
(Dollars in Thousands)

PPA: National Flood Insurance Fund - Mandatory		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	30	---	---	---
23.1	GSA rent	182	187	187	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	1,777	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	699,223	717,117	762,812	45,695
25.3	Purchases from Govt. accts.	412	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	---	---	---
42.0	Indemnities	2,280,794	17,619,689	663,686	(16,956,003)
43.0	Interest	2,799	763,125	756,339	(6,786)
91.0	Unvouchered	---	---	---	---
Total, NFIF Mandatory		**$2,985,217**	**$19,100,118**	**$2,183,024**	**($16,917,094)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

The National Flood Insurance Act of 1968, as amended, authorizes the Federal Government to provide flood insurance on a national basis. Flood insurance may be sold or continued in force only in communities that enact and enforce appropriate floodplain management measures. Communities must participate in the program within 1 year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes. In addition, Federally regulated funding institutions cannot provide loans to nonparticipating communities with an identified flood hazard.

More than 20,000 communities in all States and Territories participate in the NFIP. Structures built to NFIP criteria experience 80 percent less damage through reduced frequency and severity of losses. The flood mitigation program requirements are estimated to save in excess of $1 billion per year in flood losses avoided. The NFIP limits the impact of disaster by encouraging property owners and others to manage their risk through flood insurance and other hazard insurance mechanisms.

In FY 2007, FEMA will continue to pay claims, issue policies, pay interest on borrowing from the Treasury, and pay operating expenses of the NFIF.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	$30	$0	$0	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	$182	$187	$187	$0

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	$1,777	$0	$0	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	$699,223	$717,117	$762,812	$45,695

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The increase of $45,695,000 represents increased costs for operatiing the program

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$412**	**$0**	**$0**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Indemnities	**$2,280,794**	**$17,619,689**	**$663,686**	**($16,956,003)**

Insurance claims and indemnities include payments from the NFIF for insurance claims arising from flooding events. The FY 2007 request includes a decrease of $16,956,003,000 as the NFIF returns to an average loss year following the spike in claims in FY 2006 from the 2005 hurricane season.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Interest	**$2,799**	**$763,125**	**$756,339**	**($6,786)**

Interest includes payments to the Treasury on funds borrowed to pay flood insurance claims. The FY 2007 budget includes a decrease of $6,786,000 as the NFIF returns to an average loss year following the spike in funds borrowed to pay claims in FY 2006 from the 2005 hurricane season.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
PPA: Offsetting Fee Collections - Mandatory
Funding Schedule
(Dollars in Thousands)

PPA: Offsetting Fee Collections - Mandatory		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	(30)	---	---	---
23.1	GSA rent	(182)	(187)	(187)	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	(1,777)	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	(699,223)	(717,117)	(762,812)	(45,695)
25.3	Purchases from Govt. accts.	(412)	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	(50,000)	(50,000)	---
42.0	Indemnities	(1,239,192)	(573,925)	(663,686)	(89,761)
43.0	Interest	(2,799)	(763,125)	(756,339)	6,786
91.0	Unvouchered	---	---	---	---
Total, NFIF - Offsetting Collections, Mand.		**($1,943,615)**	**($2,104,354)**	**($2,233,024)**	**($128,670)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

In FY 2007, the budget assumes premium collections for the repetitive loss initiatives, claims, operating expenses, and interest payments.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	($30)	$0	$0	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	($182)	($187)	($187)	$0

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	($1,777)	$0	$0	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	($699,223)	($717,117)	($762,812)	($45,695)

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request represents a change in mandatory offsetting collections applied against the NFIF.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	($412)	$0	$0	$0

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	$0	($50,000)	($50,000)	$0

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Indemnities	**($1,239,192)**	**($573,925)**	**($663,686)**	**($89,761)**

Insurance claims and indemnities include payments from the NFIF for insurance claims arising from flooding events. The FY 2007 request represents a change in mandatory offsetting collections applied against the NFIF.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Interest	**($2,799)**	**($763,125)**	**($756,339)**	**$6,786**

Interest includes payments to the Treasury on funds borrowed to pay flood insurance claims. The FY 2007 request represents a change in mandatory offsetting collections applied against the NFIF.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
National Flood Insurance Fund
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Salaries and Expenses	$359	$340	$356	$16
Flood Mitigation	---	---	---	---
Severe Repetitive Loss Mitigation	---	---	---	---
Repetitive Loss Mitigation	---	---	---	---
NFIF - Mandatory	---	---	---	---
Offsetting Collections - Discretionary	---	---	---	---
Adjustment for Other Funding Sources - Mandatory	---	---	---	---
Total Working Capital Fund	**$359**	**$340**	**$356**	**$16**

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Department of Homeland Security

Federal Emergency Management Agency

National Flood Mitigation Fund

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
NATIONAL FLOOD MITIGATION FUND

I. Appropriation Overview

A. Mission Statement for National Flood Mitigation Fund (NFMF): The NFMF supports activities to eliminate at-risk structures that are repetitively flooded.

B. Budget Activities:

Through fee-generated discretionary funds transferred from the National Flood Insurance Fund (NFIF), the NFMF supports activities to eliminate at-risk structures that are repetitively flooded, and provides flood mitigation assistance planning support to States and communities.

C. Budget Request Summary:

The FEMA FY 2007 request for the NFMF is 0 positions, 0 FTE, and $31,000,000. Adjustments to base total 0 FTE and $3,000,000. No increase in program funding is requested.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
National Flood Mitigation Fund	---	$20,000	---	$28,000	---	$31,000	---	$3,000	---	---	---	$3,000
Subtotal, Enacted Appropriations and Budget Estimates	---	**$20,000**	---	**$28,000**	---	**$31,000**	---	**$3,000**	---	---	---	**$3,000**
Less: Adjustments for Other Funding Sources:	---	($20,000)	---	($28,000)	---	($31,000)	---	**($3,000)**	---	---	---	**($3,000)**
Net, Enacted Appropriations and Budget Estimates	---	---	---	---	---	---	---	---	---	---	---	---

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
Program Performance Justification
(Dollars in thousands)

PPA: NATIONAL FLOOD MITIGATION FUND

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$20,000**
2006 Revised Enacted	**0**	**0**	**28,000**
2007 Adjustments to Base	0	0	3,000
2007 Current Services	**0**	**0**	**31,000**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**31,000**
Total Change 2006-2007	0	0	3,000

FEMA requests $31.0 million for this activity. This is an increase of $3.0 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The NFMF supports activities to eliminate at-risk structures that are repetitively flooded, and provides flood mitigation assistance planning support to States and communities.

PPA: NATIONAL FLOOD MITIGATION FUND – TRANSFER OF COLLECTIONS FROM NFIF

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$20,000**
2006 Revised Enacted	**0**	**0**	**28,000**
2007 Adjustments to Base	0	0	3,000
2007 Current Services	**0**	**0**	**31,000**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**31,000**
Total Change 2006-2007	0	0	3,000

FEMA requests $31.0 million for this activity. This is an increase of $3.0 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The NFMF is supported by collections transferred from the National Flood Insurance Fund.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
National Flood Mitigation Fund
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in National Flood Mitigation Fund
Appropriation Language

Notwithstanding subparagraphs (B) and (C) of subsection (b)(3), and subsection (f), of section 1366 of the National Flood Insurance Act of 1968, ***as amended*** (42 U.S.C. 4104c), [$40,000,000]***[$31,000,000***, to remain available until September 30, [2007]***2008***, for activities designed to reduce the risk of flood damage to structures pursuant to such Act, of which [$40,000,000]***$31,000,000*** shall be derived from the National Flood Insurance Fund. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
National Flood Mitigation Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	**20,000**
2006 Revised Enacted	---	---	**28,000**
Adjustments to Base			
Increases			
Non-pay inflation excluding GSA Rent	---	---	3,000
Total Increases	---	---	3,000
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	---	---	**3,000**
2007 Current Services	---	---	**31,000**
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	**(31,000)**
2007 Request	---	---	---
2006 to 2007 Total Change	---	---	**(28,000)**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	**$20,000**
2006 Revised Enacted	---	---	**28,000**
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	3,000
Decreases	---	---	---
Total Adjustments to Base	---	---	3,000
2007 Current Services	---	---	**31,000**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
Adjustment for Other Funding Sources	---	---	(31,000)
2007 Total Request	---	---	---
2006 to 2007 Total Change	---	---	---

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount
1 National Flood Mitigation Fund	---	---	$28,000	---	---	$3,000	---	---	---	---	---	$31,000	---	---	$3,000
Adjustment for Other Funding Sources	---	---	(28,000)	---	---	(3,000)	---	---	---	---	---	(31,000)	---	---	(3,000)
Total	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	---	---	---	---
11.3 Other than full-time permanent	---	---	---	---
11.5 Other personnel compensation	---	---	---	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	---	---	---	---
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	---	---	---	---
Other Object Classes:				
21.0 Travel and transportation of persons	---	---	---	---
22.0 Transportation of things	---	---	---	---
23.1 Rental payments to GSA	---	---	---	---
23.2 Rental payments to others	---	---	---	---
23.3 Communications, utilities, & misc. charges	---	---	---	---
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services	---	---	---	---
25.2 Other services	$115	---	---	---
25.3 Purchases of goods & svcs. from Gov't accounts	---	---	---	---
25.4 Operation and maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	---	---	---	---
31.0 Equipment	---	---	---	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	24,444	$41,689	$31,000	($10,689)
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$24,559**	**$41,689**	**$31,000**	**($10,689)**
Total, Direct Obligations	**$24,559**	**$41,689**	**$31,000**	**($10,689)**
Unobligated balance, start of year	(18,000)	(13,689)	---	13,689
Unobligated balance, end of year	13,689	---	---	---
Recoveries of prior year obligations	(248)	---	---	---
Offsetting collections	(20,000)	(28,000)	(31,000)	(3,000)
Total Requirements	---	---	---	---

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
Permanent Positions by Grade

Not applicable

G. Capital Investment and Construction Initiative Listing
FEDERAL EMERGENCY MANAGEMENT AGENCY
NATIONAL FLOOD MITIGATION FUND
Not applicable

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
PPA: National Flood Mitigation Fund
Funding Schedule
(Dollars in Thousands)

PPA: National Flood Mitigation Fund		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	115	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	24,444	41,689	31,000	(10,689)
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Nat. Flood Mit. Fund		**$24,559**	**$41,689**	**$31,000**	**($10,689)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

The National Flood Mitigation Fund (NFMF) supports activities to eliminate at-risk structures that are repetitively flooded. Through fee-generated discretionary funds transferred from the National Flood Insurance Fund (NFIF), the NFMF supports activities to eliminate at-risk structures that are repetitively flooded, and provides flood mitigation assistance planning support to States and communities.

In FY 2007, the NFMF will continue to support activities to eliminate at-risk structures that are repetitively flooded, and provide flood mitigation assistance planning support to States and communities.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$115**	**$0**	**$0**	**$0**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$24,444**	**$41,689**	**$31,000**	**($10,689)**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request includes a net decrease of $10,689,000: a decrease of $13,689,000 associated with the obligation of carryover funds in FY 2006 and an increase of $3,000,000 available from discretionary collections in the National Flood Insurance Fund.

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
PPA: National Flood Mitigation Fund - Transfer of Collections
Funding Schedule
(Dollars in Thousands)

PPA: Nat'l Flood Mit. Fund - Transfer of Collect.		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	---	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	(20,000)	(28,000)	(31,000)	(3,000)
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Nat. Flood Mit. Fund Collections		**($20,000)**	**($28,000)**	**($31,000)**	**($3,000)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

Through fee-generated discretionary funds transferred from the National Flood Insurance Fund (NFIF), the NFMF supports activities to eliminate at-risk structures that are repetitively flooded, and provides flood mitigation assistance planning support to States and communities.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**($20,000)**	**($28,000)**	**($31,000)**	**($3,000)**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request represents offsetting collections for this program transferred from the NFIF.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
National Flood Mitigation Fund
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
National Flood Mitigation Fund	$57	$50	$52	$2
Total Working Capital Fund	**$57**	**$50**	**$52**	**$2**

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Department of Homeland Security

Federal Emergency Management Agency

National Pre-Disaster Mitigation Fund

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
NATIONAL PRE-DISASTER MITIGATION FUND

I. Appropriation Overview

A. Mission Statement for National Pre-Disaster Mitigation Fund: Funding requested through this account is dedicated to competitive grants for pre-disaster mitigation (PDM) operating independently of the Disaster Relief Fund (DRF), assuring that funding remains stable from year to year and is not subject to spikes in disaster activity.

B. Budget Activities:

FEMA's PDM program works to provide technical and financial assistance to State, local, and Tribal governments to reduce the risks associated with disasters.

C. Budget Request Summary:

The FEMA FY 2007 request for the National Pre-Disaster Mitigation Fund is 55 positions, 55 FTE, and $149,978,000. Adjustments to base total $478,000. The program increase includes 40 FTE and $100,000,000 to help reduce disaster costs through mitigation projects.

In FY 2007, FEMA will undertake the following risk reduction activities:

- Provide technical and financial assistance to States and to local and Tribal governments to assist in the implementation of pre-disaster hazard mitigation measures that are cost-effective and are designed to reduce loss of life and damage and destruction of property, including damage to critical facilities under the jurisdiction of the States or local governments

- Provide technical and financial assistance to State and local governments for developing and enhancing hazard mitigation plans that identify risks, and develop strategies to reduce those risks

- Continue to streamline the evaluation process so that funds are obligated more effectively and efficiently and on a more timely basis.

- Maintain and enhance processing and information systems for managing the data on mitigation projects implemented. This data will be used to track program performance and benefits.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
National Pre-Disaster Mitigation Fund	---	$100,000	15	$49,500	55	$149,978	40	$100,478	40	$100,000	---	$478
Subtotal, Enacted Appropriations and Budget Estimates	---	$100,000	15	$49,500	55	$149,978	40	$100,478	40	100,000	---	$478
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	---	100,000	15	49,500	55	149,978	40	100,478	40	100,000	---	478

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
Program Performance Justification
(Dollars in thousands)

PPA: NATIONAL PRE-DISASTER MITIGATION FUND

	Perm Pos	FTE	Amount
2005 Actual	**55**	**0**	**$100,000**
2006 Revised Enacted	**55**	**15**	**49,500**
2007 Adjustments to Base	0	0	478
2007 Current Services	**55**	**15**	**49,978**
2007 Program Change	0	40	100,000
2007 Request	**55**	**55**	**149,978**
Total Change 2006-2007	0	40	100,478

FEMA requests $149.978 million for this activity. This is an increase of $100.478 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Pre-Disaster Mitigation (PDM) program assists States and local governments in implementing cost-effective hazard mitigation activities that complement a comprehensive mitigation program.

The PDM program provides funds to states, territories, Indian tribal governments, and communities for hazard mitigation planning and the implementation of mitigation projects prior to a disaster event. Funding these plans and projects reduces overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations. PDM grants are to be awarded on a competitive basis and without reference to State allocations, quotas, or other formula-based allocation of funds.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
National Pre-Disaster Mitigation Fund
Justification of Program Changes
(Dollars in Thousands)

Program Increase: Strengthening Pre-Disaster Mitigation

Strategic Goal(s) & Objective(s):

Strategic Goal 3: Safeguard our people and their freedoms, critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters, or other emergencies.
Objective: 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

PPA: National Pre-Disaster Mitigation Fund

Program Increase: Positions 0 FTE 40 Dollars $100,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							55	15	$49,978
Program Increase							0	40	100,000
Total Request	**55**	**0**	**$100,000**	**55**	**15**	**$49,500**	**55**	**55**	**149,978**

Description of Item
Funding for this item will allow the PDM competitive grant program to assist States and communities to reach a higher level of risk management and risk reduction, through planning and mitigation actions taken before disasters occur. In addition, funding will support the FTE level necessary to manage the program and ensure that the communities that are most in need of funding receive it.

Justification
Local and State mitigation planning activities, which have intensified since the publication of mitigation planning regulations in early 2002, have resulted in an increased awareness of hazards and risks at both the State and local levels. States and localities are required to have FEMA-approved State and local mitigation plans in order to receive PDM and post-disaster Hazard Mitigation Grant Program (HMGP) project grants. While the PDM program is FEMA's only pre-disaster grant source of funding for multi-hazard mitigation planning, the competitive nature of the PDM program and the requirement for State/local hazard mitigation plans has increased the quality of applications in all FEMA mitigation grant programs. The PDM provides States and localities with an incentive to conduct mitigation

planning in a pre-disaster environment, improving the quality of mitigation proposals in both a pre- and post-disaster context and ensuring better use of PDM and HMGP funds.

Demand for pre-disaster mitigation funding has been growing steadily since the program began in FY 2003. States and communities have increased their capability to develop and successfully apply for competitive mitigation projects, and for the second year of the program (FY 2004/2005), FEMA received 821 sub-applications with a proposed Federal share of $516.7 million. For FY 2006, FEMA received notification that planned applications in just two States totaled $430 million for the FY 2006 competitive program. With eligible applications exceeding available resources, FEMA is better able to target PDM funds toward those projects with the highest benefit and risk-reduction potential.

One of the primary purposes of the PDM program is to provide a more consistent source of mitigation funding, to reduce loss of life and property from natural hazards, and to reduce reliance on post-disaster funding. Since February 2003, the HMGP has complemented the nationally competitive PDM, providing both pre- and post-disaster mitigation funding to reduce risk. Without this increase to strengthen the program to approximately $150 million, the PDM program will no longer complement the Hazard Mitigation Grant Program (HMGP). Combined, these two programs will provide a combined total of approximately $300 million annually for hazard mitigation.

Based on historical averages of mitigation grant programs, the additional $100 million requested will provide for the protection of: over 600 additional properties from flood damage through acquisition, elevation, relocation, and/or flood proofing; 250 additional critical facilities from flood damage through drainage, infrastructure, and utilities projects; 240 additional properties from hurricane wind damage; 92 additional storm shelters to save lives from tornadoes; and 154 additional critical public facilities against seismic damage.

A recent study by the Multi-hazard Mitigation Council of the National Institute of Building Sciences determined that benefits from mitigation activities, defined as losses to society avoided, included:

- Reduced human losses
- Reduced property damage
- Reduced direct and indirect business interruption
- Reduced environmental damage
- Reduced cost of emergency response

The study found that $1 spent on mitigation saves society an average of $4. Based on this finding, spending an additional $100 million in pre-disaster mitigation will result in savings of $400 million. An analysis of mitigation activities in eight communities found that FEMA mitigation grants are not only cost-effective but often lead to additional non-federally funded mitigation activities. The study concluded that mitigation is sufficiently cost-effective to warrant federal spending both on a pre-disaster and post-disaster basis and is most effective when it is carried out on a comprehensive, community-wide, long-term basis.

Impact on Performance (Relationship of Increase to Strategic Goals)
Without the additional funding, the impact of pre-disaster migration activities will be minimal. Instead of being pro-active and working to prevent damage before disasters strike, communities will continue to rely on post-disaster mitigation assistance through the Disaster Relief Fund.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in National Pre-Disaster Mitigation Fund
Appropriation Language

For a [predisaster]***pre-disaster*** mitigation grant program under title II of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. [5131 et seq., $50,000,000] ***5133), $149,978,000***, to remain available until expended: *Provided*, That grants made for [predisaster]***pre-disaster*** mitigation shall be awarded on a competitive basis subject to the criteria in section 203(g) of such Act [(42 U.S.C. 5133(g))], and notwithstanding section 203(f) of such Act, shall be made without reference to State allocations, quotas, or other formula-based allocation of funds: *Provided further*, That total administrative costs shall not exceed 3 percent of the total appropriation. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
National Pre-Disaster Mitigation Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**55**	**---**	**100,000**
2006 Revised Enacted	**55**	**15**	**49,500**
Adjustments to Base			
Increases			
2007 pay increase	---	---	25
Non-pay inflation excluding GSA Rent	---	---	453
Total Increases	---	---	478
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	**---**	**---**	**478**
2007 Current Services	**55**	**15**	**49,978**
Program Changes			
Program Increases (Decreases)			
Pre-Disaster Mitigation grants	---	40	100,000
Total Program Changes	**---**	**40**	**100,000**
2007 Request	**55**	**55**	**149,978**
2006 to 2007 Total Change	**---**	**40**	**100,478**

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	55	---	$100,000
2006 Revised Enacted	55	15	49,500
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	478
Decreases	---	---	---
Total Adjustments to Base	---	---	478
2007 Current Services	55	15	49,978
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	40	100,000
2007 Total Request	55	55	149,978
2006 to 2007 Total Change	---	40	100,478

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 National Pre-Disaster Mitigation Fund	55	15	$49,500	---	---	$478	---	40	$100,000	55	55	$149,978	---	40	$100,478
Total	55	15	$49,500	---	---	$478	---	40	$100,000	55	55	$149,978	---	40	$100,478

Note:

D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	---	$924	$2,918	$1,994
11.3 Other than full-time permanent	---	---	---	---
11.5 Other personnel compensation	---	---	---	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	---	231	729	498
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**---**	**$1,155**	**$3,647**	**$2,492**
Other Object Classes:				
21.0 Travel and transportation of persons	$179	150	225	75
22.0 Transportation of things	---	---	---	---
23.1 Rental payments to GSA	74	180	628	448
23.2 Rental payments to others	---	---	---	---
23.3 Communications, utilities, & misc. charges	---	---	---	---
24.0 Printing and reproduction	87	---	---	---
25.1 Advisory and assistance services	---	---	---	---
25.2 Other services	7,112	---	---	---
25.3 Purchases of goods & svcs. from Gov't accounts	14	---	---	---
25.4 Operation and maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	---	---	---	---
31.0 Equipment	---	---	---	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	159,832	162,891	145,478	(17,413)
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$167,298**	**$163,221**	**$146,331**	**($16,890)**
Total, Direct Obligations	**$167,298**	**$164,376**	**$149,978**	**($14,398)**
Unobligated balance, start of year	(181,990)	(114,876)	---	114,876
Unobligated balance, end of year	114,876	---	---	---
Recoveries of prior year obligations	(184)	---	---	---
Total Requirements	**$100,000**	**$49,500**	**$149,978**	**$100,478**

Note: Includes carryover shown in Mitigation Grants in the President's Budget.

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX				---
GS-15	---	---	---	---
GS-14	3	3	3	---
GS-13	5	5	6	1
GS-12	7	7	21	14
GS-11	20	20	15	(5)
GS-10	---	---	---	---
GS-9	19	19	10	(9)
GS-8	---	---	---	---
GS-7	1	1	---	(1)
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**55**	**55**	**55**	---
Unfilled Positions EOY	55	---	---	---
Total Perm. Employment EOY	---	55	55	---
FTE	**—**	**15**	**55**	**40**
Headquarters	20	20	20	---
U.S. Field	35	35	35	---
Foreign Field	---	---	---	---
Total Permanent Positions	**55**	**55**	**55**	—
Average ES Salary	$---	$---	$---	$---
Average GS Salary	$59,274	$61,600	$62,955	$1,355
Average GS Grade	10.71	10.71	11.40	0.69

G. Capital Investment and Construction Initiative Listing						
FEDERAL EMERGENCY MANAGEMENT AGENCY						
NATIONAL PRE-DISASTER MITIGATION FUND						
Not applicable						

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
PPA: National Pre-Disaster Mitigation Fund
Funding Schedule
(Dollars in Thousands)

PPA: National Pre-Disaster Mitigation Fund		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$924	$2,918	$1,994
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	231	729	498
13.0	Benefits-former	---	---	---	---
21.0	Travel	179	150	225	75
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	74	180	628	448
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	87	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	7,112	---	---	---
25.3	Purchases from Govt. accts.	14	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	159,832	162,891	145,478	(17,413)
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, National Pre-Disaster Mit. Fund		**$167,298**	**$164,376**	**$149,978**	**($14,398)**
Full Time Equivalents		---	15	55	40

PPA Mission Statement

Funding requested through this account is dedicated to competitive grants for pre-disaster mitigation (PDM). Operating independently of the Disaster Relief Fund (DRF) assures that funding remains stable from year to year and is not subject to spikes in disaster activity.

In FY 2007, FEMA will provide technical and financial assistance to States and to local and Tribal governments to assist in the implementation of pre-disaster hazard mitigation measures that are cost-effective and are designed to reduce loss of life and damage and destruction of property, including damage to critical facilities under the jurisdiction of the States or local governments. An increase in funding will allow the PDM competitive grant program to assist States and communities to reach a higher level of risk management and risk reduction, through planning and mitigation actions taken before disasters occur. The increase in total funding for this program allows for a concomitant increase in administrative expenses since up to 3 percent is allowed for such purposes. Additional administrative expenses will support the FTE level necessary to manage the program and ensure that the communities that are most in need of funding receive it.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	$0	$1,155	$3,647	$2,492

Salaries and Benefits include costs for 55 FTEs. The FY 2006 request includes an increase of $25,000 for the proposed January 2007 2.2 percent pay raise and $2,467,000 for the costs associated with 40 FTE to administer the program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	$179	$150	$225	$75

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2006 request includes an increase of $75,000 associated with the additional FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
GSA rent	$74	$180	$628	$448

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2006 request includes an increase of $448,000 associated with the additional FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	$7,112	$0	$0	$0

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Purchases from Government accounts	**$14**	**$0**	**$0**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$159,832**	**$162,891**	**$145,478**	**($17,413)**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request includes a net decrease of $17,413,000: a decrease of $114,876,000 associated with the obligation of carryover funds in FY 2006, an increase of $453,000 in non-pay inflation, and an increase of $97,010,000 to allow communities to take mitigation measures before a disaster strikes.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
National Pre-Disaster Mitigation Fund
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
National Pre-Disaster Mitigation Fund	$292	$128	$134	$6
Total Working Capital Fund	**$292**	**$128**	**$134**	**$6**

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Department of Homeland Security

Federal Emergency Management Agency

Emergency Food and Shelter

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
EMERGENCY FOOD AND SHELTER

I. Appropriation Overview

A. Mission Statement for Emergency Food and Shelter (EFS): The EFS program provides grants to nonprofit and faith-based organizations at the local level to supplement their programs for emergency food and shelter.

B. Budget Activities:

The EFS program provides grants to nonprofit and faith-based organizations at the local level to supplement their programs for emergency food and shelter.

C. Budget Request Summary:

The FEMA FY 2007 request for the EFS program is 0 positions, 0 FTE, and $151,470,000. No adjustment to base or increase in program funding is requested.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Emergency Food and Shelter	---	$153,000	---	$151,470	---	$151,470	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	---	$153,000	---	$151,470	---	$151,470	---	---	---	---	---	---
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	---	153,000	---	151,470	---	151,470	---	---	---	---	---	---

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
Program Performance Justification
(Dollars in thousands)

PPA: EMERGENCY FOOD AND SHELTER

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$153,000**
2006 Revised Enacted	**0**	**0**	**151,470**
2007 Adjustments to Base	0	0	0
2007 Current Services	**0**	**0**	**151,470**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**151,470**
Total Change 2006-2007	0	0	0

FEMA requests $151.47 million for this activity. There is no increase over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The EFS program provides grants to nonprofit and faith-based organizations at the local level to supplement their programs for emergency food and shelter. In a recent fiscal year, EFS provided approximately 73 million meals, 4.2 million nights of shelter, and payment of more than 250,000 mortgage, rent, and utility bills. Nearly 12,000 nonprofit and local government agencies in 2,506 cities and counties across the United States received awards.

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Emergency Food and Shelter
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Emergency Food and Shelter
Appropriation Language

To carry out an emergency food and shelter program pursuant to title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331**]** et seq.), **[**$153,000,000***]$151,470,000***, to remain available until expended: *Provided,* That total administrative costs shall not exceed 3.5 percent of the total appropriation. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes are proposed.

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Emergency Food and Shelter
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	**153,000**
2006 Revised Enacted	---	---	**151,470**
Adjustments to Base			
Increases			
Total Increases	---	---	---
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	---	---	---
2007 Current Services	---	---	**151,470**
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	---
2007 Request	---	---	**151,470**
2006 to 2007 Total Change	---	---	---

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	—	$153,000
2006 Revised Enacted	—	—	151,470
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	—
Increases	---	---	—
Decreases	---	---	—
Total Adjustments to Base	—	—	—
2007 Current Services	—	—	151,470
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	—
2007 Total Request	—	—	151,470
2006 to 2007 Total Change	—	—	---

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Emergency Food and Shelter	—	—	$151,470	—	---	—	—	—	---	---	---	$151,470	---	---	—
Total	—	---	$151,470	—	—	—	—	---	—	—	---	$151,470	—	—	—

Note:

D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

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E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	---	---	---	---
11.3 Other than full-time permanent	---	---	---	---
11.5 Other personnel compensation	---	---	---	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	---	---	---	---
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	---	---	---	---
Other Object Classes:				
21.0 Travel and transportation of persons	---	---	---	---
22.0 Transportation of things	---	---	---	---
23.1 Rental payments to GSA	---	---	---	---
23.2 Rental payments to others	---	---	---	---
23.3 Communications, utilities, & misc. charges	---	---	---	---
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services	---	---	---	---
25.2 Other services	---	---	---	---
25.3 Purchases of goods & svcs. from Gov't accounts	---	---	---	---
25.4 Operation and maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	---	---	---	---
31.0 Equipment	---	---	---	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	$153,000	$151,470	$151,470	---
42.0 Insurance claims and indemnities	---	---	---	---
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$153,000**	**$151,470**	**$151,470**	**---**
Total, Direct Obligations	**$153,000**	**$151,470**	**$151,470**	**---**
Total Requirements	**$153,000**	**$151,470**	**$151,470**	**---**

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
Permanent Positions by Grade

Not applicable

G. Capital Investment and Construction Initiative Listing

FEDERAL EMERGENCY MANAGEMENT AGENCY
EMERGENCY FOOD AND SHELTER

Not applicable

H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
PPA: Emergency Food and Shelter
Funding Schedule
(Dollars in Thousands)

PPA: Emergency Food and Shelter		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communications, utilities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	---	---	---	---
25.2	Other services	---	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	153,000	151,470	151,470	---
42.0	Indemnities	---	---	---	---
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Emergency Food & Shelter		**$153,000**	**$151,470**	**$151,470**	**$0**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

The Emergency Food and Shelter (EFS) Program provides grants to nonprofit and faith-based organizations at the local level to supplement their programs for emergency food and shelter.

In FY 2005, EFS provided approximately 70.4 million meals, 9.5 million nights of shelter, and payment of more than 300,000 mortgage, rent, and utility bills. Over 12,000 nonprofit and local government agencies in 2,534 cities and counties across the United States received awards.

The FEMA FY 2007 request will continue to provide funding to supplement local efforts to provide meals, shelter, and emergency assistance for mortgage, rent, and utility payments.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Grants/Subsidies/Contributions	**$153,000**	**$151,470**	**$151,470**	**$0**

Grants/Subsidies/Contributions include cash payments to States, other political subdivisions, corporations, associations, and individuals. The FY 2007 request is the same as the FY 2006 level.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Emergency Food and Shelter
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Emergency Food and Shelter	---	---	---	---
Total Working Capital Fund	---	---	---	---

Department of Homeland Security

Federal Emergency Management Agency

Cerro Grande Fire Claims

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
CERRO GRANDE FIRE CLAIMS

I. Appropriation Overview

The Cerro Grande Fire Claims was established by Public Law 106-246 to provide consideration and settlement of claims arising from the Cerro Grande Prescribed Fire. Funds for administration of the compensation process and for the payment of claims are available until expended.

No additional funding is requested.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security

Federal Emergency Management Agency

Cerro Grande Fire Claims

Summary of FY 2007 Budget Estimates by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Cerro Grande Fire Claims	2	---	---	---	---	---	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	2	---	---	---	---	---	---	---	---	---	---	---
Less: Adjustments for Other Funding Sources:	---	---	---	---	---	---	---	---	---	---	---	---
Net, Enacted Appropriations and Budget Estimates	2	---	---	---	---	---	---	---	---	---	---	---

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III. Current Services Program Description by PPA

Department of Homeland Security
Federal Emergency Management Agency
Cerro Grande Fire Claims
Program Performance Justification
(Dollars in thousands)

Not applicable

IV. Program Justification of Changes

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Cerro Grande Fire Claims
Justification of Program Changes
(Dollars in Thousands)

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Federal Emergency Management Agency
Justification of Proposed Changes in Cerro Grande Fire Claims
Appropriation Language

Not applicable

B: FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Federal Emergency Management Agency (FEMA)
Cerro Grande Fire Claims
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	2	---
2006 Revised Enacted	---	---	---
Adjustments to Base			
Increases			
Total Increases	---	---	---
Decreases			
Total Decreases	---	---	---
Total Adjustments to Base	---	---	---
2007 Current Services	---	---	---
Program Changes			
Total Program Changes	---	---	---
Adjustment for Other Funding Sources	---	---	---
2007 Request	---	---	---
2006 to 2007 Total Change	---	---	---

C: Summary of Requirements

Department of Homeland Security
Federal Emergency Management Agency
Cerro Grande Fire Claims
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	2	---
2006 Revised Enacted	---	---	---
Adjustments to Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	---
Decreases	---	---	---
Total Adjustments to Base	---	---	---
2007 Current Services	---	---	---
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	---	---	---
2006 to 2007 Total Change	---	---	---

	2006 Revised Enacted			2007 Adjustments to Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Cerro Grande Fire Claims	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Note:

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D: Summary of Reimbursable Resources

Department of Homeland Security
Federal Emergency Management Agency
Cerro Grande Fire Claims
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Budgetary Resources	---	---	---	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Not Applicable										---	---	---
										---	---	---
										---	---	---
										---	---	---
Total Obligations	---	---	---	---	---	---	---	---	---	---	---	---

Explanation of Increase/Decrease.
PPA 1:

E: Summary of Requirements by Object Class

Department of Homeland Security
Federal Emergency Management Agency
Cerro Grande Fire Claims
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
11.1 Full-time permanent	---	---	---	---
11.3 Other than full-time permanent	$151	---	---	---
11.5 Other personnel compensation	28	---	---	---
11.8 Special personal services payments	---	---	---	---
12.1 Civilian personnel benefits	30	---	---	---
13.0 Benefits for former personnel	---	---	---	---
Total, Personnel Comp. & Benefits	**$209**	---	---	---
Other Object Classes:				
21.0 Travel and transportation of persons	52	---	---	---
22.0 Transportation of things	5	---	---	---
23.1 Rental payments to GSA	---	---	---	---
23.2 Rental payments to others	2	---	---	---
23.3 Communications, utilities, & misc. charges	1	---	---	---
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services	74	$2	---	($2)
25.2 Other services	3	---	---	---
25.3 Purchases of goods & svcs. from Gov't accounts	---	---	---	---
25.4 Operation and maintenance of facilities	1	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	13	---	---	---
31.0 Equipment	12	---	---	---
32.0 Land and structures	---	---	---	---
41.0 Grants, subsidies, and contributions	---	---	---	---
42.0 Insurance claims and indemnities	1,456	417	---	(417)
43.0 Interest and dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$1,619**	**$419**	---	**($419)**
Total, Direct Obligations	**$1,828**	**$419**	---	**($419)**
Unobligated balance, start of year	(1,843)	(419)	---	419
Unobligated balance, end of year	419	---	---	---
Recoveries of prior year obligations	(404)	---	---	---
Total Requirements	---	---	---	---

Note: Includes obligations, carryover, and recoveries shown in Operating Expenses in the President's Budget

F: Permanent Positions by Grade

Department of Homeland Security
Federal Emergency Management Agency
Cerro Grande Fire Claims
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15	---	---	---	---
GS-14	---	---	---	---
GS-13	---	---	---	---
GS-12	---	---	---	---
GS-11	---	---	---	---
GS-10	---	---	---	---
GS-9	---	---	---	---
GS-8	---	---	---	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	---	---	---	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	---	---	---	---
FTE	2	---	---	---
Headquarters	---	---	---	---
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	---	---	---	---
Average ES Salary	$---	$---	$---	$---
Average GS Salary	$---	$---	$---	$---
Average GS Grade	---	---	---	---

G. Capital Investment and Construction Initiative Listing						
FEDERAL EMERGENCY MANAGEMENT AGENCY						
CERRO GRANDE FIRE CLAIMS						
Not applicable						

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H: PPA Budget Justifications

Department of Homeland Security
Federal Emergency Management Agency
Cerro Grande Fire Claims
PPA: Cerro Grande Fire Claims
Funding Schedule
(Dollars in Thousands)

PPA: Cerro Grande Fire Claims		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm positions	$0	$0	$0	$0
11.3	Other than perm	151	---	---	---
11.5	Other per comp	28	---	---	---
11.8	Spec srvc pay	---	---	---	---
12.1	Benefits	30	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	52	---	---	---
22.0	Transportation of things	5	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	2	---	---	---
23.3	Communications, utilities, and misc charges	1	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & assistance services	74	2	---	(2)
25.2	Other services	3	---	---	---
25.3	Purchases from Govt. accts.	---	---	---	---
25.4	Operation & maintenance of facilities	1	---	---	---
25.5	Research & development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & support of persons	---	---	---	---
26.0	Supplies & materials	13	---	---	---
31.0	Equipment	12	---	---	---
32.0	Land & structures	---	---	---	---
41.0	Grants/subsidies/contributions	---	---	---	---
42.0	Indemnities	1,456	417	---	(417)
43.0	Interest	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Cerro Grande Fire Claims		**$1,828**	**$419**	**$0**	**($419)**
Full Time Equivalents		2	---	---	---

The Cerro Grande Fire Claims was established by Public Law 106-246 to provide consideration and settlement of claims arising from the Cerro Grande Prescribed Fire. Funds for administration of the compensation process and for the payment of claims are available until expended. It is anticipated that all claims will be settled by the end of FY 2006. No additional funding is requested for FY 2007.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Salaries and benefits	$209	$0	$0	$0

Salaries and Benefits are no longer requested for this account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	$52	$0	$0	$0

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of things	$5	$0	$0	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other rent	$2	$0	$0	$0

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Communications, utilities, and misc. charges	$1	$0	$0	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Advisory and assistance services	**$74**	**$2**	**$0**	**($2)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $2,000 since all obligations for the program are expected to be completed by the end of FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other services	**$3**	**$0**	**$0**	**$0**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Operation & maintenance of facilities	**$1**	**$0**	**$0**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$13**	**$0**	**$0**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$12**	**$0**	**$0**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. Neither the FY 2006 revised enacted level nor the FY 2007 request includes funding under this object class.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Indemnities	**$1,456**	**$417**	**$0**	**($417)**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes a decrease of $417,000 since all claims for the program are expected to be obligated by the end of FY 2006.

I. FY 2007 Schedule of Working Capital Fund by Program/Project Activity

Department of Homeland Security
Federal Emergency Management Agency
Cerro Grande Fire Claims
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Cerro Grande Fire Claims	---	---	---	---
Total Working Capital Fund	---	---	---	---

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Department of Homeland Security

Federal Emergency Management Agency

Fiscal Year 2007

Strategic Context
Congressional Justification

FEDERAL EMERGENCY MANAGEMENT AGENCY

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A. Mission and Description of the Federal Emergency Management Agency

The mission of the Federal Emergency Management Agency (FEMA) is to lead the Nation in mitigating, responding to, and recovering from major domestic disasters, both natural and man-made, including terrorist incidents. FEMA's major operational components include the Readiness, Mitigation, Response, and Recovery Divisions, the National Incident Management System (NIMS) Integration Center (NIC), and the Office of National Security Coordination. FEMA consists of approximately 3,000 onboard staff, 5,500 disaster reservists, and 8,900 medical reservists. In addition to its headquarters in Washington, D.C., FEMA has 10 regional offices, 2 area offices, 2 field locations, and various disaster related sites that carry out the Agency's operations throughout the U. S. and its dependent areas.

FEMA manages and coordinates the Federal response to domestic disasters of all types in accordance with the Robert T. Stafford Disaster Relief and Assistance Act. Through its programs, FEMA helps to prevent or reduce the risk to life and property from floods and other natural hazards, leads all Federal incident management planning, and provides response and recovery assistance to help minimize disruption in the lives of individuals and communities following a disaster.

Since it was created in 1979, FEMA has managed over 1,050 major disasters and 189 emergency declarations in all 50 States, as well as in the District of Columbia, Puerto Rico, Guam, the Pacific Island Trust Territories, and the U.S. Virgin Islands. During its history FEMA has helped to lead America through some of its most difficult times, including Hurricane Andrew, the Midwest Floods of 1993 and 1997, the Northridge Earthquake, the September 11th terrorist attacks, the Columbia Space Shuttle disaster, and the 2004 hurricanes. As a part of DHS, FEMA continues to be there when disaster strikes.

A Special Note Regarding Hurricane Katrina

At the time of this writing, more than 5 months have passed since the landfall of Hurricane Katrina, the most devastating natural catastrophe in the Nation's history. FEMA is evaluating its response to Katrina and is working to develop solutions for the future, while still being in the midst of the largest Federal disaster recovery operation ever undertaken. Therefore, it should be noted that the activities and performance impacts discussed in this document do not reflect lessons learned from reviews of the Katrina response, which are still in progress at the time of submission.

B. Major Activities and Key Strategic Issues

Major Activities

Readiness Program

In FY 2006, FEMA's Readiness Division will work with FEMA's Response and Recovery Divisions to ensure operational readiness for disasters of all kinds, regardless of cause. Through the NIC, the Executive Agent for the National Response Plan (NRP), Readiness also will coordinate and broker agency and interagency planning initiatives in support of operational response and recovery objectives for the NRP and the NIMS. Readiness plays a critical role in

coordinating the various components of the NRP and ensures that NRP remains linked to, and grounded in the NIMS.

In FY 2006, the NIC will support both the routine maintenance and the continuous refinement of the NIMS and its components over the long term. The NIC will provide the central activity to ensure that the NIMS is a continuously improving system of response that unites all responders in the United States through common organizations, common terminology for resources, and interoperable equipment and communications. These activities will be constantly evaluated and improved based on lessons learned and on the evolution of technology and protocols as directed in Homeland Security Presidential Directive (HSPD)-5. The NIC will begin to develop and to deliver a national mutual aid and resource management system that includes first responder and emergency worker credentialing based on national standards, that supports the NIMS, and that allows Federal, State, and local governments to order and to track response resources quickly and effectively.

In FY 2006, FEMA's Emergency Management Institute (EMI) will develop, deliver, and evaluate the effectiveness and the impact of its training programs in the areas of risk management and emergency response, using a diverse training delivery system that includes residential onsite training, offsite delivery in partnership with emergency management training systems, colleges, and universities, and technology-based mediums to conduct individual training courses for emergency response personnel across the Nation. EMI directly supports the implementation of the NIMS and NRP, and its training targets a diverse audience, including FEMA's disaster workforce and the Agency's partners in disaster operations.

Mitigation Program

In FY 2006, FEMA, through its Mitigation Division, will provide technical and financial assistance to States, Tribes, and local governments for activities that mitigate the risk from future disasters, and will continue to administer more than 4.7 million flood insurance policies under the National Flood Insurance Program (NFIP). Mitigation means taking action to change conditions and behavior to protect lives, to prevent the loss of property, and to reduce Federal expenditures for disaster assistance. Mitigation is engaged in a major effort to modernize and update the Nation's flood maps, resulting in improvred, digital flood maps for the entire Nation, and is continuing the Pre-Disaster Mitigation (PDM) Grant Program which enables States, Tribes, and local communities to manage risk before disasters occur through competitively awarded grants.

Response Program

In FY 2006, FEMA's Response Division will continue to integrate the Department's national emergency response teams and systems into a comprehensive and coordinated national operational capability to respond to natural and man-made major disasters and emergencies, including acts of terrorism. Two new Federal Incident Response Support Teams (FIRSTs) will be established in FY 2006. FIRSTs will be the initial Federal response asset to be deployed to a major disaster, emergency, or act of terrorism, including a weapon of mass effect (WME) event.

Response will also pursue catastrophic disaster response and recovery improvement initiatives in FY 2006 as part of a cross-functional and interagency effort to develop and to implement plans that will improve the ability of Federal, State, or local governments to respond to and to recover from catastrophic disasters quickly and effectively. To this end, Response also will continue to work with the States and localities, as well as with other Federal partners, to develop an all-hazards

catastrophic disaster plan for a number of the most high-risk communities in the country. These plans will take into account the significantly improved response assets and shorter response times needed in such incidents.

Response will also demonstrate the proof of concept of hospital surge capacity for one fixed and for one mobile facility, and plans to evaluate the concept for further implementation in outyears. In FY 2006, Response will continue its work to ensure an eventual 100 percent mission- and WME-capability for all tasked FEMA emergency response teams, and will continue building logistical capability to provide essential services to an impacted community of up to 50,000, including enhancement of FEMA's capability to handle large-scale patient care and mass casualties. Overall, FEMA will continue to develop initiatives to improve support to victim populations, to improve decontamination support to an affected jurisdiction, and to increase the speed with which critical Federal and mutual aid resources can be provided.

Recovery Program

In FY 2006, FEMA's Recovery Division will lead National, State, local, and private sector efforts to restore services and to rebuild communities after acts of terrorism, natural disasters, or other emergencies, by strengthening nationwide recovery plans and capabilities and by providing scaleable and robust all-hazard recovery assistance. Recovery Division programs, processes, and supporting technology must be reliable, flexible, and economical, and will focus on program activities that improve efficiency and that expedite delivery of disaster assistance to eligible individuals, State, local, and Tribal governments, and eligible private nonprofit organizations. Recovery will also work as part of a cross-cutting FEMA initiative to develop and implement plans, processes, procedures, and/or systems for catastrophic disasters that will improve the ability of Federal, State, or local governments to support victim populations quickly and effectively, will improve the speed and application of decontamination support to an affected jurisdiction, and will improve the speed with which critical Federal and mutual aid resources are or can be provided to affected jurisdictions.

National Security Program

In FY 2006, FEMA's Office of National Security Coordination will continue to carry out its mandated mission, to provide Executive Agent leadership to guarantee the survival of an enduring constitutional government by ensuring continuity of national operations in response to national emergencies. FY 2006 resources will be used to build program improvements initiated in FY 2005 by deploying new interagency contingency communications systems; by providing Continuity of Operations (COOP) planning and training to Federal departments and agencies; by leading the Federal Government's Integrated Public Alert & Warning System (IPAWS) and Emergency Alert System (EAS) initiatives; and by providing operational support to classified programs.

Key Strategic Issues

In general, FEMA faces serious challenges in achieving its all-hazards mission. Chief among those challenges is increased risk. America's metropolitan areas continue to grow in size and density, with many of the largest situated in coastal regions, along earthquake faults, or in other high-risk areas. Commercial and residential development have progressed at a rapid pace across the Nation, expanding into previously unsettled or sparsely settled areas, and exposing growing communities to new risks, especially wildfire, flooding, and erosion. To address these growing risks, FEMA

will continue to emphasize planning, training, exercises, pre-disaster mitigation, and flood insurance.

The risks associated with acts of terrorism also pose a significant challenge for FEMA. FEMA's rapid and decisive response to the events of September 11, 2001, demonstrated the Agency's role in incident management. As a result, the Nation is looking to the emergency management community—FEMA in particular—to meet this challenge. Creating a single, all-hazards incident management plan from the multiple Federal response plans currently operating and implementing the NIMS are important steps in ensuring that FEMA and DHS meet the challenge. The threat of terrorist attack, especially on a mass scale, also reinforces the challenge FEMA faces in planning for and building its capability to respond to and recover from catastrophic disasters, both natural and man-made.

FEMA also faces serious challenges in maintaining and developing its workforce. Within the next 4 to 5 years, nearly half of FEMA's workforce is projected to become eligible for retirement. FEMA has committed itself to recruiting, training, and retaining a top-notch workforce and to developing a staff with the talent, skills, competencies, and dedication necessary to meet the demands of the future.

C. Resources Requested and Performance Impact

Readiness Program

In FY 2007, Readiness will work with FEMA's Response and Recovery Divisions to ensure operational readiness for disasters of all kinds, natural or man-made. Readiness also will coordinate and broker agency and interagency planning initiatives in support of operational response and recovery objectives for the NRP and the NIMS. Readiness will continue to operate and to direct the NIC. Readiness also will continue to play a critical role in coordinating the various components of the NRP and ensures that NRP remains linked to, and based upon, the NIMS.

The NIC will continue to provide the central activity to ensure that the NIMS is a continuously improving system of response that unites all responders in the United States through common organizations, common terminology for resources, and interoperable equipment and communications. These activities will be evaluated and improved constantly based on lessons learned and on the evolution of technology and protocols as directed in HSPD-5. The NIC will continue to develop and deliver a national mutual aid and resource management system that includes first responder and emergency worker credentialing based on national standards, that supports the NIMS, and that allows Federal, State, and local governments to order and to track response resources quickly and effectively. The NIC will continue to serve as the Executive Agent for the NRP.

In FY 2007, FEMA's EMI will continue to develop, deliver, and evaluate the effectiveness and the impact of its training programs in the areas of risk management and emergency response using a diverse training delivery system that includes residential onsite training, offsite delivery in partnership with emergency management training systems, colleges, and universities, and technology-based mediums to conduct individual training courses for emergency response personnel across the Nation. EMI will continue to support directly implementation of the NIMS

and the NRP. The EMI training will continue to target a diverse audience, including the FEMA disaster workforce and partners involved in disaster operations.

Mitigation Program

In FY 2007, FEMA's Mitigation Program will continue to lead America in reducing threats to life and property through all-hazards risk management. Mitigation Program activities will result in the avoidance of approximately $2 billion in potential property losses and in disaster and other costs. At least 585 communities will have taken actions to become safer from natural or man-made disasters.

In FY 2007, flood hazard identification projects (map modernization) will be completed for counties at risk for flood hazards, and will result in improved safety for 70 percent of the population through availability of accurate flood risk data in Geographic Information System (GIS) format. Completed actions will contribute to the creation of a seamless, high-quality digital flood theme that enables GIS-based risk assessment. To assist local efforts in implementing the map modernization program, Mitigation will partner with State and local governments and will provide appropriate resources for managing and maintaining flood hazard data. Modernized hurricane evacuation study guidelines will be developed and seven high-priority studies will be completed.

The NFIP outreach campaign, directed at increasing policy ownership by 5 percent through improved sales and retention, will be refined based on policy growth and goals.

The Hazard Mitigation Grant Portfolio, which includes the competitive PDM grant program, will continue to provide FEMA with the ability to assist States and communities to reach a higher level of risk management and risk reduction, through planning and mitigation actions taken before disasters occur. In FY 2007, FEMA will continue implementation of a plan to improve the delivery of all the grants in a timely and cost-effective manner. Environmental and historic preservation requirements also will be evaluated for improved process opportunities.

In concert with the NFIP and the new Severe Repetitive Loss Mitigation Programs authorized by the Flood Insurance Reform Act of 2004, 750 repetitive flood loss properties will be mitigated; performance metrics will be completed and evaluated for the National Earthquake Hazards Reduction Program; dam safety and security grant allocations will be determined using past performance; development and dissemination of building and infrastructure design guidance including seismic standards will continue; and NFIP floodplain management increased enrollment, eligibility, and enforcement actions will be continued.

A recent study by the Multihazard Mitigation Council, under the National Institute of Building Sciences, as well as OMB's Program Assessment Rating Tool (PART) analysis, recognizes the value of mitigation in limiting the loss of life and property damage from natural disasters. According to the study by the Council, mitigation is sufficiently cost-effective to warrant federal funding on an ongoing basis, both before disasters and during post- disaster recovery. In addition, mitigation is most effective when it is carried out on a comprehensive, community-wide basis over a long period of time.

Response Program

In FY 2007, FEMA's Response Division will continue the long-term enhancements to integrate the Department's national emergency response teams and systems into a comprehensive and coordinated national operational capability to respond to natural and man-made major disasters and emergencies, including acts of terrorism. Response will continue to implement the NIMS, and will continue to work with all partners toward a fully mission-capable NRP. As an example, the Response Division has established a 12-hour average response time for all response teams as a goal to be implemented by FY 2009. This goal includes the procurement of equipment, transportation, and materials necessary to support mission capability.

Work will continue toward the eventual 100-percent mission- and WME-capability for all appropriate FEMA emergency response teams. Transportation plans, standardized procedures, team readiness evaluations, and remedial action plans will ensure that the average team response time is reduced from 48 hours in FY 2006 to 36 hours in FY 2007. Response will continue to acquire equipment to reduce the logistical response time from 60 hours to 48 hours to provide essential services and support to an impacted community of 50,000. The ability to handle large-scale patient care will be enhanced by expanding capabilities to handle larger numbers of mass casualties. Capability will be increased through continued augmentation of the concept and through partnership with the Department of Health and Human Services in FY 2007.

Response also will continue to pursue catastrophic disaster response and recovery improvement initiatives as part of a cross-functional and interagency effort to develop and to implement plans that will improve the ability of Federal, State, or local governments to respond to and to recover from catastrophic disasters quickly and effectively. To this end, Response will work with the States and localities, as well as with other Federal agencies, to initiate all-hazards catastrophic disaster plans for five of the most high-risk communities in the country during FY 2007.

Recovery Program

FEMA's Recovery Program will continue in FY 2007 to ensure that individuals and communities affected by disasters of all sizes, including those caused by terrorism, are able to return to normal function with minimal suffering and disruption of services. FEMA is allocating resources for this activity to improve the effectiveness and efficiency of recovery programs as delivered in the numerous disasters occurring annually, and to ensure that individual and public assistance can be provided to victims of the larger and more complex disasters that could occur as the result of terrorism or catastrophic natural events. FEMA will be applying best practices and lessons learned from the 2004, 2005, and 2006 hurricane seasons, while seeking to maintain current customer satisfaction, and while continuing to reduce costs and cycle time. Recovery also will work as part of a cross-cutting FEMA initiative to develop and to implement plans, processes, procedures, and/or systems for catastrophic disasters that will improve the ability of Federal, State, or local governments to support victim populations quickly and effectively, will improve the speed and application of decontamination support to an affected jurisdiction, and will improve the speed with which critical Federal and mutual aid resources are or can be provided to affected jurisdictions.

National Security Program

In FY 2007, FEMA's Office of National Security Coordination will continue to carry out its mandated mission, to provide Executive Agent leadership to guarantee the survival of an enduring constitutional government by ensuring continuity of national operations in response to national emergencies, whatever their cause. The Office of National Security Coordination will ensure that

FEMA maintains an appropriately resourced, staffed, and equipped ability to provide Executive Agent leadership for Continuity of Government (COG), Continuity of Operations (COOP), and national contingency programs. FY 2007 resources will be used to sustain COOP, COG, and contingency programs that are well-developed and operational; to continue to enhance interagency communications to support national-level command and control systems; to develop and deploy new technologies to improve contingency system programs; to coordinate the continued deployment of the IPAWS and upgrades to the EAS initiatives; and to lead COOP and COG planning and operations.

D. How FEMA Programs and Their Performance Goals Align To and Support DHS Strategic Plan Objectives.

The following list of FEMA programs with their performance goals are followed by the DHS strategic objective or objectives they support.

Readiness Program Performance Goal - Help ensure the Nation is ready to respond to and recover from acts of terrorism, natural disasters, or other emergencies through implementation of the National Incident Management System (NIMS) and the provision of emergency management training.

3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Mitigation Program Performance Goal - Reduce the impact of natural hazards on people and property through the analysis and reduction of risks and the provision of flood insurance.

3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies.

Response Program Performance Goal - Ensure the capability and readiness of all FEMA disaster response teams and logistics capabilities to respond quickly and effectively to provide assistance when and where needed.

4.1 Reduce the loss of life and property by strengthening operational response readiness.
4.2 Provide scalable and robust all-hazard response capability.

Recovery Program Performance Goal - Help individuals and communities affected by federally declared disasters return to normal function quickly and efficiently, while planning for catastrophic disaster recovery operations.

5.1 Strengthen nationwide recovery plans and capabilities.
5.2 Provide scalable and robust all-hazard recovery assistance.

National Security Program Performance Goal - Ensure all Federal Departments and Agencies have fully operational Continuity of Operations (COOP) and Continuity of Government (COG) capabilities.

3.5 Ensure the continuity of government operations and essential functions in the event of crisis or disaster.

E. Performance-Based Budget Highlights by Program

For each Future Year Homeland Security Program (FYHSP), the performance goal, performance measure/s, budget including allocation of non-programmatic overhead, and full-time equivalents (FTEs) are:

Performance Goal: Help ensure the Nation is ready to respond to and recover from acts of terrorism, natural disasters, or other emergencies through implementation of the National Incident Management System (NIMS) and the provision of emergency management training.

Measure: Percent of respondents reporting they are better prepared to deal with disasters and emergencies as a result of training	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	78%	87%	80%	80%
	Actual	83%	84%	n/a	n/a
Measure: Percent of Federal, State, local, and Tribal Governments compliant with the National Incident Management System (NIMS)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	n/a	100%	100%	100%
	Actual	n/a	82%	n/a	n/a
Program: Readiness	**$ Thousands***	$345,286	$136,334	$105,351	118,951
	FTE*	638	620	459	498

* Dollars and FTE for FY 2004 and FY 2005 include sub-programs that are no longer part of FEMA.

Performance Goal: Reduce the impact of natural hazards on people and property through the analysis and reduction of risks and the provision of flood insurance.

Measure: Potential property losses and other costs avoided. (Corresponds to long-term PART measure, "Over the period 2007-2011, reduce potential costs from loss of life and property by $10.5 billion.")	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	$1.949 billion	$1.757 billion	$2.27 billion	$2.4ion
	Actual	$1.949 billion	$1.895 billion	n/a	n/a
Measure: Percent of the population whose safety is	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	10%	50%	50%	60%

improved through availability of accurate flood risk data in Geographic Information System format. (Corresponds to long-term PART measure, "By 2010, make flood risk data in Geographical Information Systems format available to 100% of the population.")	**Actual**	15%	38%	n/a	n/a
Measure: Number of communities taking or increasing action to reduce their risk of natural or man-made disaster.	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	500	710	585	585
	Actual	735	1,286	n/a	n/a
Measure: National Flood Insurance Program (NFIP) premium income per $100 dollars of combined operating expense and historical losses paid. (Corresponds to PART measure, "Improve the National Flood Insurance Program income to expense ratio which measures the operating efficiency of the NFIP.")	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	$114.4	$115.4	$117.4	$118.4
	Actual	$118.6	115.4	n/a	n/a
Measure: Annual average increase in number of flood insurance policies. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	5%	5%	5%	5%
	Actual	1.69%	4.61%	n/a	n/a
Program: Mitigation	**$ Thousands**	$2,648,858	$6,397,205	$2,685,207	$2,945,132
	FTE	731	935	851	918

Performance Goal: Ensure the capability and readiness of all FEMA disaster response teams and logistics capabilities to respond quickly and effectively to provide assistance when and where needed.

Measure: Average percent of teams reported at operational status. (Corresponds to PART measure, "Average percentage of evaluated teams and operations achieving 'fully operational' or better status.")	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	n/a	50%	60%	85%
	Actual	n/a	50%	n/a	n/a
Measure: Average response	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**

time in hours for emergency response teams to arrive on scene. (PART measure)	**Target**	72	50	48	36
	Actual	50	20 (est.)	n/a	n/a
Measure: Average time in hours to provide essential logistical services to an impacted community of 50,000 or fewer. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	72	64	60	48
	Actual	64	Data Not Available	n/a	n/a
Measure: Cumulative percent of National Disaster Medical System emergency teams evaluated through at least one readiness evaluation or exercise in a four-year cycle. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	n/a	25%	50%	75%
	Actual	n/a	39% (est.)	n/a	n/a
Measure: Percent of National Disaster Medical System teams trained and exercised in large-scale patient and mass casualty evacuations.	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	n/a	25%	25%	25%
	Actual	n/a	29% (est.)	n/a	n/a
Measure: Casualty treatment, evacuation and transportation capability of the national National Disaster Medical System (persons). (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	200	1,000	5,000	20,000
	Actual	200	1,000	n/a	n/a
Measure: Percent of Disaster Medical Assistance Teams (DMATs) and Disaster Mortuary Operational Response Teams (DMORTs) with appropriate Weapons of Mass Destruction capability. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	10%	15%	20%	25%
	Actual	2.5%	10% (DMORT only)	n/a	n/a
Measure: Staffing of FEMA's Federal Incident Response Support Teams (FIRSTs). (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	25%	50%	100%	100%
	Actual	25%	0%	n/a	n/a
Measure: Number of highest-risk communities for which catastrophic plans have been initiated per year. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	1	3	5	5
	Actual	0	0	n/a	n/a
Measure: Number of	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**

evacuees for whom intermediate emergency housing can be provided. (PART measure)	**Target**	600	12,000	45,000	45,000
	Actual	15,000	56,814 (est.)	n/a	n/a
Program: Response	**$ Thousands**	$1,692,165	$9,468,014	$462,093	$517,684
	FTE	1,220	1,554	1,297	1,386

Performance Goal: Help individuals and communities affected by federally declared disasters return to normal function quickly and efficiently, while planning for catastrophic disaster recovery operations.

Measure: Percent of customers satisfied with Individual Recovery Assistance assistance. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 006**	**FY 2007**
	Target	90%	90%	90%	90%
	Actual	90%	93% (est.)	n/a	n/a
Measure: Percent of customers satisfied with Public Recovery Assistance assistance. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	87%	88%	88%	87%
	Actual	89%	Data Not Available	n/a	n/a
Measure: Percent reduction in Individual Assistance processing cycle time. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	n/a	n/a	Baseline	TBD
	Actual	n/a	n/a	n/a	n/a
Measure: Percent reduction in Individual Assistance program delivery cost. (PART measure)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	Baseline	Baseline	Baseline	TBD
	Actual	Not Completed	Data Not Available	n/a	n/a
Measure: Percent completion of catastrophic disaster recovery plan. (PART measure; formerly but no longer limited to housing strategy only.)	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	30%	45%	60%	80%
	Actual	30%	30%	n/a	n/a
Program: Recovery	**$ Thousands**	$3,266,582	$33,812,675	$2,282,763	$1,676,320
	FTE	2,821	4,406	2,957	2,981

Program: National Security
Performance Goal: Ensure all Federal Departments and Agencies have fully operational Continuity of Operations (COOP) and Continuity of Government (COG) capabilities.

Measure: Percent of Federal Departments and Agencies with fully operational Continuity of Operations (COOP) capabilities.	**Fiscal Year**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
	Target	80%	90%	95%	100%
	Actual	70%	90%	n/a	n/a
Measure: Percent of fully operational Continuity of	**Fiscal Year**	**FY2004**	**FY2005**	**FY2006**	**FY2007**
	Target	75%	80%	70%	70%

Government (COG) capabilities.	**Actual**	75%	20%	n/a	n/a
Measure: Cost per student trained in Continuity of Operations (COOP) Program management.	**Fiscal Year**	**FY2004**	**FY2005**	**FY2006**	**FY2007**
	Target	n/a	n/a	Baseline	TBD
	Actual	n/a	n/a	n/a	n/a
Program: National Security	**$ Thousands**	$27,865	$60,653	$69,030	$68,795
	FTE	116	132	179	187

F. Digest Tables by FYHSP Programs

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Office of the Under Secretary	**22**	**$4,211**	---	---	---	---	---	---	---	---	---	---
Mitigation	5	905	---	---	---	---	---	---	---	---	---	---
Readiness	6	1,053	---	---	---	---	---	---	---	---	---	---
Response	5	1,040	---	---	---	---	---	---	---	---	---	---
Recovery	4	775	---	---	---	---	---	---	---	---	---	---
National Security	2	438	---	---	---	---	---	---	---	---	---	---
Readiness, Mitigation, Response, and Recovery	**881**	**240,331**	**822**	**$202,017**	**939**	**$233,499**	**117**	**$31,482**	**117**	**$31,186**	**---**	**$296**
Mitigation	90	29,184	95	29,170	104	30,449	9	1,279	9	978	---	301
Readiness	271	82,962	176	48,214	207	56,792	31	8,578	31	10,067	---	(1,489)
Response	355	109,231	379	94,880	447	114,275	68	19,395	68	18,363	---	1,032
Recovery	165	18,954	172	29,753	181	31,983	9	2,230	9	1,778	---	452
Administrative and Regional Operations	**803**	**202,939**	**1,032**	**236,228**	**1,115**	**255,499**	**83**	**19,271**	**43**	**20,754**	**40**	**(1,483)**
Mitigation	146	30,212	182	37,096	200	41,697	18	4,601	9	4,075	9	526
Readiness	173	39,435	212	43,135	233	48,489	21	5,354	11	4,740	10	614
Response	229	47,221	303	55,219	324	60,833	21	5,614	11	4,681	10	933
Recovery	125	25,856	156	31,748	171	35,685	15	3,937	8	3,487	7	450
National Security	130	60,215	179	69,030	187	68,795	8	(235)	4	3,771	4	(4,006)
Public Health Programs	**88**	**134,000**	**40**	**33,660**	**40**	**33,885**	**---**	**225**	**---**	**---**	**---**	**225**
Response	88	134,000	40	33,660	40	33,885	---	225	---	---	---	225
Biodefense Countermeasures	**---**	**2,507,776**	---	---	---	---	---	---	---	---	---	---
Response	---	2,507,776	---	---	---	---	---	---	---	---	---	---
Radiological Emergency Preparedness Program	**78**	**16,912**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**
Readiness	78	16,912	---	---	---	---	---	---	---	---	---	---
Disaster Relief Fund	**5,458**	**44,265,580**	**3,493**	**1,752,300**	**3,493**	**1,941,390**	**---**	**189,090**	**---**	**---**	**---**	**189,090**
Mitigation	440	3,969,243	256	143,233	256	162,416	---	19,183	---	---	---	19,183
Readiness	34	14,068	36	14,002	36	13,670	---	(332)	---	---	---	(332)
Response	877	6,668,746	575	278,334	575	308,691	---	30,357	---	---	---	30,357
Recovery	4,107	33,613,523	2,626	1,316,731	2,626	1,456,613	---	139,882	---	---	---	139,882
Disaster Assistance Direct Loan Program Account	**3**	**567**	**3**	**753,061**	**3**	**569**	**---**	**(752,492)**	**---**	**---**	**---**	**(752,492)**
Recovery	3	567	3	753,061	3	569	---	(752,492)	---	---	---	(752,492)
National Pre-Disaster Mitigation Fund	**---**	**100,000**	**15**	**49,500**	**55**	**149,978**	**40**	**100,478**	**40**	**100,000**	**---**	**478**
Mitigation	---	100,000	15	49,500	55	149,978	40	100,478	40	100,000	---	478
National Flood Mitigation Fund	**---**	**20,000**	**---**	**28,000**	**---**	**31,000**	**---**	**3,000**	**---**	**---**	**---**	**3,000**
Mitigation	---	20,000	---	28,000	---	31,000	---	3,000	---	---	---	3,000
Flood Map Modernization	**13**	**200,000**	**33**	**198,000**	**33**	**198,980**	**---**	**980**	**---**	**---**	**---**	**980**
Mitigation	13	200,000	33	198,000	33	198,980	---	980	---	---	---	980
National Flood Insurance Fund	**241**	**2,039,754**	**270**	**2,200,208**	**270**	**2,330,612**	**---**	**130,404**	**---**	**---**	**---**	**130,404**
Mitigation	241	2,039,754	270	2,200,208	270	2,330,612	---	130,404	---	---	---	130,404
Emergency Food and Shelter	**---**	**153,000**	**---**	**151,470**	**---**	**151,470**	**---**	**---**	**---**	**---**	**---**	**---**
Recovery	---	153,000	---	151,470	---	151,470	---	---	---	---	---	---
Cerro Grande Fire Claims	**2**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**
Recovery	2	---	---	---	---	---	---	---	---	---	---	---
Subtotal, Budget Authority (All Sources)	**7,589**	**49,885,070**	**5,708**	**5,604,444**	**5,948**	**5,326,882**	**240**	**(277,562)**	**200**	**151,940**	**40**	**(429,502)**
Less Adjustments for Other Funding Sources:	**58**	**(2,077,850)**	**35**	**(2,228,208)**	**22**	**(2,361,612)**	**(13)**	**(133,404)**	**---**	**---**	**(13)**	**(133,404)**
Total Enacted Appropriations and Budget Estimates	**7,647**	**47,807,220**	**5,743**	**3,376,236**	**5,970**	**2,965,270**	**227**	**(410,966)**	**200**	**151,940**	**27**	**(562,906)**
Total Excluding Supplemental Funds and Bioshield	**7,647**	**2,976,244**	**5,703**	**2,606,536**	**5,970**	**2,965,270**	**227**	**358,734**	**200**	**151,940**	**27**	**206,794**

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Department of Homeland Security

U.S. Citizenship & Immigration Services

Fiscal Year 2007

Overview

Congressional Justification

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i. Summary of FY 2007 Budget Estimates by Appropriation

DEPARTMENT OF HOMELAND SECURITY
U.S. CITIZENSHIP & IMMIGRATION SERVICES (USCIS)
SUMMARY OF FY 2007 BUDGET ESTIMATES BY APPROPRIATION AND PPA
TOTAL APPROPRIATIONS
(Dollars in Thousands)

BUDGET ACTIVITY	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 President's Budget		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adjudication Services	7,134	$ 1,204,530	7,435	$ 1,396,000	7,435	$ 1,466,000	-	$ 70,000	-	$47,000	-	$ 23,000
Backlog Reduction Initiative	-	$ 159,940	450	$ 113,850	-	$ -	(450)	$ (113,850)	-	-	(450)	$ (113,850)
Information and Customer Services	926	$ 126,158	1,790	$ 141,000	2,155	$ 278,990	365	$ 137,990	365	$134,990	-	$ 3,000
Administration	357	$ 215,743	532	$ 237,000	532	$ 241,000	-	$ 4,000	-	$ -	-	$ 4,000
Total	8,417	$ 1,706,371	10,207	$ 1,887,850	10,122	$ 1,985,990	(85)	$ 98,140	365	$ 181,990	(450)	$ (83,850)

[1] FY 2006 Enacted reflects 1% across-the-board rescission pursuant to P.L. 109-148

FY 2007 Note: The Adjudication Services Program reflects an increase in discretionary funds of $47 million for the Business Transformation Program, the Information and Customer Services Program reflects an increase in discretionary funds of $134.99 million for the operation and expansion of the SAVE (Systematic Alien Verification for Entitlements)/EEV (Employment Eligibility Verification) Program, and all programs reflect a $30 million mandatory increase for pay and non-pay adjustments from projected fee increases.

FY 2007 Note: A decrease of $113.85 million in the Backlog Reduction Initiative Program reflects reductions due to the successful completion of backlog elimination efforts begun in FY 2002 and the conclusion of associated temporary discretionary funding ($79.2 million) and a one-time appropriation for IT Transformation/Digitization efforts ($34.65 million).

FY 2007 Note: FTE levels shown are higher than the Budget Appendix by a total of 168 FTE dedicated to the SAVE/Basic Pilot program. These were omitted in error. The requested FTE levels are based on a preliminary estimate of needs that may change as requirements are better defined.

ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
U.S. Citizenship & Immigration Services
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses	---	---	450	$160,000	450	$160,000	---	---	450	113,850	450	$113,850	---	---	365	$181,990	365	$181,990
Adjudication Services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	$47,000	---	$47,000
Business Transformation	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	$47,000	---	$47,000
Backlog Reduction Initiative	---	---	450	$160,000	450	$160,000	---	---	450	$113,850	450	$113,850	---	---	---	---	---	---
Contracting Services	---	---	450	$120,000	450	$120,000	---	---	450	$70,000	450	$70,000	---	---	---	---	---	---
Digitization	---	---	---	$20,000	---	$20,000	---	---	---	---	---	---	---	---	---	---	---	---
Other	---	---	---	$20,000	---	$20,000	---	---	---	$9,200	---	$9,200	---	---	---	---	---	---
Digitization and IT Transformation	---	---	---	---	---	---	---	---	---	$34,650	---	$34,650	---	---	---	---	---	---
Information and Customer Services	---	---	---	---	---	---	---	---	---	---	---	---	---	---	365	$134,990	365	$134,990
Pay & Benefits	---	---	---	---	---	---	---	---	---	---	---	---	---	---	365	$27,375	365	$27,375
SAVE/IBIV	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	$107,615	---	$107,615
Total Direct Appropriations and Budget Estimat	---	---	450	$160,000	450	$160,000	---	---	450	$113,850	450	$113,850	---	---	365	$181,990	365	$181,990
Fee Accounts	---	---	9,602	$1,615,000	9,602	$1,615,000	---	---	9,757	$1,774,080	9,757	$1,774,080	---	---	9,757	$1,804,000	9,757	$1,804,000
Immigration Examinations Fee	---	---	9,487	$1,571,000	9,487	$1,571,000	---	---	9,527	$1,730,000	9,527	$1,730,000	---	---	9,527	$1,760,000	9,527	$1,760,000
H1-B Nonimmigrant Petitioner	---	---	---	$13,000	---	$13,000	---	---	---	$13,000	---	$13,000	---	---	---	$13,000	---	$13,000
Fraud Prevention & Detection	---	---	115	$31,000	115	$31,000	---	---	230	$31,000	230	$31,000	---	---	230	$31,000	230	$31,000

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
U.S. Citizenship and Immigration Services
Status of Congressionally Requested Studies and Reports

1. House Report 108-541, p. 85 and Senate Report 108-280, p. 71 directs USCIS to provide a quarterly status report on progress in eliminating the backlog. Target responses to the Committee are: February 2006 (4th Quarter); March 2006 (1st Quarter); June 2006 (2nd Quarter); September 2006 (3rd Quarter); December 2006 (4th Quarter).

2. House Report 109-79, p. 100 directs USCIS to submit a comprehensive report on the implications of requiring all U.S. employers to electronically check the legal work status of all new employees. Target date to Committee is February 2006.

3. House Report 109-79, p. 99 directs USCIS to submit a report on the technical and financial issues involved in adding biometric verification as a feature of the LPR card. Target date to the Committee is February 2006.

4. House Report 109-79, p. 100 directs USCIS to report on the nature of the connections that USCIS and the State Department use to communicate inquiries. Target date to the Committee is February 2006.

5. House Report 109-79, p. 100 directs USCIS to report on its analysis of the impact of the interim rule to permit applicants for immigration some relief of having their EAD's renewed annually. Target date to the Committee is February 2006.

6. House Report 109-79, p. 98 directs USCIS to report on the costs and benefits of adding a fifth regional service center. Target date to the Committee is February 2006.

7. Senate Report 109-83, p. 80 directs USCIS to submit a report on the costs and need to establish a subdistrict office in Montgomery County, Maryland. Target date to the Committee is February 2006.

8. House Report 109-79, p. 99 directs USCIS to submit a report on the agency's information technology efforts and how these activities align with DHS' enterprise architecture standards. Target date to the Committee is February 2006.

9. Conference Report 109-241, p.76 directs USCIS to provide a spend plan on the use of $35,000,000 for information technology transformation efforts and to convert immigration records into digital format. Target date to the Committee is February 2006.

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
U.S. Citizenship & Immigration Services
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Salaries and Expenses[1]	2002	631,745	$707,392	$181,990
Total Direct Authorization/Appropriation		631,745	$707,392	$181,990

[1] INS Citizenship Services

Department of Homeland Security

U.S. Citizenship & Immigration Services

Salaries and Expenses

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CITIZENSHIP & IMMIGRATION SERVICES
SALARIES AND EXPENSES

I. Appropriation Overview

A. Mission Statement for Salaries and Expenses: Discretionary, non-fee, appropriations within the Salaries and Expenses Account (SAE) include $47 million for U.S. Citizenship and Immigration Services (USCIS) business transformation efforts, and $134.99 million for the Systematic Alien Verification for Entitlements (SAVE)/Employment Eligibility Verification[1] (EEV) Programs. Discretionary Funding is to both replace fees currently utilized for the SAVE/EEV program ($20.5M), expand the SAVE system to meet the identification requirements of the Real ID Act ($4.0M), and expand an electronic system to verify the eligibility of persons for employment in the United States ($110.49M). The Real ID Act requires states to verify legal immigration status prior to the issuance of a driver's license or identification card. The EEV Program (formerly entitled Basic Pilot) is currently provided free of charge to employers who voluntarily verify employment eligibility.

In FY 2005, USCIS used its SAE funds to continue the employment of 450 temporary adjudication officers and over 890 field office clerical contractors, to fund increased field office overtime and operations and maintenance activities associated with core IT systems supporting the adjudication process. USCIS used $20 million for the historical records project to convert immigration records into an electronic, digitally accessible format. In FY 2005, USCIS increased its overall production by 14.3%, processing 7.3 million applications and decreasing the backlog to 1 million immigration benefit applications (from a high of 3.8 million cases in January 2004). USCIS also met and/or exceeded cycle time targets in 14 of 16 major form types.

In FY 2006, USCIS will use the funds received from the SAE account to continue the employment of temporary and contractor staff as well as to support the operations and maintenance of critical IT systems ($79.2 million). USCIS will continue to aggressively work towards meeting the President's goal to eliminate its backlog by fiscal year end. USCIS will also use $34.65 million appropriated by the Congress on IT transformation and digitization efforts.

In FY 2007, USCIS will use the discretionary SAE funding to transform USCIS' business operations ($47 million), expand operations to support implementation of the Real ID Act, and support expansion of a national electronic employment verification system as a key component of the Administration's Secure Border Initiative ($134.99 million).

1 The Employment Eligibility Verification (EEV) Program is the name used for the expanded Basic Pilot Program. The terminology "Basic Pilot" is retained when referring to the current program.

B. Budget Activities:

Adjudication Services
Business Transformation Program – The Transformation Program, an important part of Secretary Chertoff's Second Stage Review, will be a multi-year effort to modernize USCIS processes and systems. This new business model will embrace an account-based, customer-centric, processing system and will end the traditional application-centric, or case-based processing system in use today. This Program will enable USCIS to provide immigration benefit services in a more timely, consistent, and accurate manner.

Information and Customer Services
SAVE and EEV Program - SAVE is an intergovernmental information-sharing program that verifies an individual's immigration status to ensure that only those eligible receive Federal, state, or local public benefits. The EEV Program, a key component of the Department's Secure Border Initiative, involves electronic verification checks of the Social Security Administration and DHS databases, using an automated system to verify employment authorization. These expanded programs will allow USCIS to provide more timely, consistent, and accurate information to its customers, and ensure the security of the immigration system.

C. Budget Request Summary:

USCIS requests 512 positions, 365 FTE, and $181.99 million. The Request includes a one-time discretionary program increase of $47 million to transform USCIS' current paper-based data systems into a modern, world-class digital processing resource that will enhance customer service, better prevent future backlogs, and improve USCIS efficiency with expanded electronic filing and strengthened security. The request also includes $134.99 million for the SAVE and EEV Programs that will allow USCIS to operate an expanded SAVE program to implement requirements of the Real ID Act, and expand an electronic system to verify the eligibility of persons for employment in the U.S.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

DEPARTMENT OF HOMELAND SECURITY
U.S. CITIZENSHIP & IMMIGRATION SERVICES (USCIS)
SUMMARY OF FY 2007 BUDGET ESTIMATES BY APPROPRIATION AND PPA
SALARIES AND EXPENSES
(Dollars in Thousands)

BUDGET ACTIVITY	FY 2005 Actual		FY 2006[1] Revised Enacted		FY 2007 President's Budget		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adjudication Services												
Business Transformation	-	$ -	-	$ -	-	$ 47,000	-	$ 47,000	-	$ 47,000	-	$ -
Backlog Reduction Initiative												
Contracting Services	-	$ 119,993	450	$ 70,000	-	$ -	(450)	$ (70,000)	-	$ -	(450)	$ (70,000)
Digitization	-	$ 20,000	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
Other	-	$ 19,947	-	$ 9,200	-	$ -	-	$ (9,200)	-	$ -	-	$ (9,200)
Digitization and IT Transformation	-	$ -	-	$ 34,650	-	$ -	-	$ (34,650)	-	$ -	-	$ (34,650)
Information and Customer Services												
Pay & Benefits	-	$ -	-	$ -	365	$ 27,375	365	$ 27,375	365	$ 27,375	-	$ -
SAVE/EEV	-	$ -	-	$ -	-	$ 107,615	-	$ 107,615	-	$ 107,615	-	$ -
Total	**0**	**$ 159,940**	**450**	**$ 113,850**	**365**	**$ 181,990**	**(85)**	**$68,140**	**365**	**$ 181,990**	**(450)**	**$ (113,850)**

[1] FY 2006 Enacted reflects 1% across-the-board rescission pursuant to P.L. 109-148.

Note: The Adjudication Services Program reflects an increase in discretionary funds of $47 million for the Business Transformation Program, and the Information and Customer Services Program reflects an increase in discretionary funds of $134.99 million for the operation and expansion of the SAVE (Systematic Alien Verification for Entitlements)/EEV (Employment Eligibility Verification) Program.
Note: A decrease of $113.85 million in the Backlog Reduction Initiative Program reflects reductions due to the successful completion of backlog elimination efforts begun in FY 2002 and the conclusion of associated temporary discretionary funding ($79.2 million) and a one-time appropriation for IT Transformation/Digitization efforts ($34.65 million).

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Citizenship and Immigration Services
Salaries and Expenses
Program Performance Justification
(Dollars in thousands)

PPA: BACKLOG REDUCTION INITIATIVE

	Perm. Pos.	FTE	Amount
2005 Actual	**0**	**0**	**$159,940**
2006 Revised Enacted	**0**	**450**	**$113,850**
2007 Adjustments-to-Base	0	(450)	($113,850)
2007 Current Services	**0**	**0**	**$0**
2007 Program Change	0	0	$0
2007 Request	**0**	**0**	**$0**
Total Change 2006-2007	**0**	**0**	**$0**

Note: FY 2006 Revised Enacted reflects 1% across-the-board rescission pursuant to P.L. 109-148.

The FY 2006 to FY 2007 change reflects a total decrease in 450 FTEs and $113.85 million in discretionary funds due to the successful completion of backlog elimination efforts ($79.2M) begun in FY 2002, and a one-time appropriation of $34.65 million in FY 2006 for IT Transformation/ Digitization efforts.

No additional funding is requested for backlog reduction in 2007.

PPA: INFORMATION & CUSTOMER SERVICES – SAVE/EEV

	Perm. Pos.	FTE	Amount
2005 Actual	**0**	**0**	**$0**
2006 Revised Enacted	**0**	**0**	**$0**
2007 Adjustments-to-Base	0	0	$0
2007 Current Services	**0**	**0**	**$0**
2007 Program Change	512	365	$134,990
2007 Request	**512**	**365**	**$134,990**
Total Change 2006-2007	**512**	**365**	**$134,990**

There are no current services adjustments. USCIS requests new discretionary funding of $134.99 million for this activity.

CURRENT SERVICES PROGRAM DESCRIPTION:

The SAVE Program is an intergovernmental information-sharing initiative designed to aid employers in determining an applicant's/recipient's immigration status, and thereby ensure that only entitled applicants/recipients receive Federal, state, or local public benefits. The Program is an information service for benefit granting agencies, institutions, and other entities. USCIS does not make determinations on any applicant's/recipient's eligibility for a specific benefit.

The SAVE Program, in partnership with the Social Security Administration (SSA), administers the EEV Program. The EEV Program verifies the SSA and DHS databases, using an automated system to verify employment authorization of employees.

The EEV Program has been available to all employers in California, Florida, Illinois, New York, and Texas since November 1997 and to employers in Nebraska since March 1999. Currently, participation in the EEV Program is voluntary, and is free to participating employers.

The Basic Pilot Extension and Expansion Act of 2003 extended the EEV Program to November 2008, and also requires for the expansion of the Basic Pilot Program to all 50 states and the District of Columbia. A Notice was published in the Federal Register on December 20, 2004, announcing the expanded availability of the pilot and a new Web-Based Access Method for the EEV program.

The EEV Program removes the guesswork from document review during the Form I-9 process, it allows participating employers to confirm the employment eligibility of all newly hired employees; improves the accuracy of wage and tax reporting, and protects jobs for authorized United States workers.

Employment verification requires completion of the Form I-9 and review of identity and work authorization documentation. Employers who want to voluntarily participate must first register and sign a memorandum of understanding with the Social Security Administration (SSA) and USCIS, take a tutorial, and pass a mastery test. The employers are able to enter information from this process electronically into a personal computer with Internet access. The statute requires that employers using the EEV system submit information on new employees within three business days of hire. The information is automatically compared with information contained in the SSA database, and for noncitizens, with DHS data in the USCIS database. If the information matches, there is an instantaneous response back to the employer saying that the employee is authorized to work.

If the employer-submitted information is inconsistent with SSA data, the employer is immediately notified that there is a tentative nonconfirmation. The employer is then instructed to notify the employee, who has eight Federal workdays to visit a local SSA office to correct his or her record if the employee chooses to do so. If the employee visits SSA, the employer again uses the EEV system to confirm that the employee is work authorized.

If the SSA information matches but the information for a noncitizen employee is not consistent with USCIS data, a notice will be returned to the employer that the verification is in process. This means that the case has been electronically sent to a USCIS Immigration Status Verifier (ISV) who searches other databases to determine the noncitizen's current work authorization status. If the ISV cannot find information to confirm an employee's work status within one day, the employer is sent a tentative

nonconfirmation for that employee. The employer must then notify the employee who has eight Federal workdays to call an ISV at a toll-free number. If necessary to resolve the case, the ISV will ask the employee to fax a copy of his or her immigration document. The ISV must respond to the query within 10 days of the original referral. Once the ISV completes the case, the EEV system is updated and the employer notified of the finding.

During the time employees are contesting tentative nonconfirmations they must be allowed to continue working, and employers are prohibited from any verification-related adverse action against the employee, including withholding training or work assignments. If an employee chooses not to contest a tentative nonconfirmation when first told that the electronic verification was not conclusive, fails to contact SSA or USCIS, or is found through the verification process not to be work authorized, the employer may terminate his or her employment.

There are more than 150,000 agency users that request immigration status information for non-citizens and naturalized citizens applying for public benefits. Currently over 19,000 employer sites participate in the EEV Program, requesting employment status information to confirm the employment eligibility of their newly hired employees. During FY 2004, SAVE responded to over 11,000,000 queries, 11 percent of these queries (1.1M) were secondary verifications processed by USCIS' ISVs.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support.

Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
U.S. Citizenship and Immigration Services
Salaries and Expenses
Justification of Program Changes
(Dollars in thousands)

Program Increase 1: **SAVE/EEV Program**

Strategic Goal(s) & Objective(s): 6.2 Provide efficient and responsive immigration services that respect the dignity and value of individuals.

PPA: Information and Customer Services

Program Increase: Positions 512, FTE 365, Dollars $134,990

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									
Program Increase							512	365	$134,990
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**512**	**365**	**$134,990**

Description of Item
With respect to the SAVE Program, $24.5 million is requested. Currently, fee funding from non-related applications are used to support this program. Of this amount, $17.1 million covers base funding (161 positions, 161 FTE) that supports activities to ensure only eligible applicants/recipients receive Federal, state, or local public benefits. Another $4.0 million supports expansion of SAVE to meet the requirements of the Real ID Act (23 positions, 23 FTE, $4.0 million). The Real ID Act of 2005, signed into law by the President on May 11, 2005, requires all State Department of Motor Vehicles, (including the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands and any other territory or possession of the United States) to verify the immigration status of all non-citizen applicants for driver's licenses or identification cards. The $4.0 million will pay the salaries of the 23 Immigration Status Verifiers that will be hired. The remaining $3.4 million (13 positions, 13 FTE) continues to support the EEV program to help employers verify employment eligibility of employees.

With respect to the EEV program, $110.49 million is requested. Currently, fee funding from non-related applications are used to support this program. This funding (315 positions, 168 FTE, $110.49 million) will expand an electronic system to verify employment eligibility. This program is a key component of the Administration's Secure Border Initiative (SBI). The SBI is a comprehensive multi-year plan to secure America's borders and reduce illegal migration, which includes, among other things, increased interior enforcement of our immigration laws – including more robust worksite enforcement.

USCIS anticipates phasing in a mandatory EEV over several years. This approach will allow correction of any unanticipated problems before all 7 million employers begin using the mandatory national system.

The total cost of expanding the EEV program[2] (315 positions, 168 FTE, $110.49M) is comprised of the following elements: program administration, program operations, system enhancements, and outreach and publicity.

Program Administration (48 positions, 24 FTE, $11.7M) - includes program and policy direction for the EEV, administrative and legal support, program evaluation, and staff directly involved in administering the verification program. This would also encompass oversight of any contracts used to operate the verification system.

Program Operations (213 positions, 117 FTE, $49.9M) - includes the costs for operating and maintaining the computer system used for automated matching with SSA and USCIS databases. This includes contractor costs for data matching, providing verification results to employers, tracking subsequent case events, and running a help desk for employers that encounter technical problems in using the system. It also includes the cost of manually verifying cases that are not resolved automatically, and resolving cases of persons who erroneously receive tentative nonconfirmations because of errors in their SSA or DHS records. Last, it includes new initiatives to review employer transaction records both electronically and manually and to institute a strong program to foster compliance with the program through random and targeted employer reviews.

Systems Enhancements ($46.49M) - includes funding to increase the operating efficiency of the verification system by automating additional features of the program as well as increasing the accuracy of DHS databases and data on individuals that are used in the verification process. Approximately 40 percent of the funds will be used to improve data quality in the legacy systems as well as manual and automated review of data across systems to better ensure integrity. These activities include analysis of data internal to USCIS systems as well as data being received from other DHS and external agencies. Increased accuracy will result in long-term savings to the Federal government, because of reduced costs to resolve erroneous tentative nonconfirmation findings. Furthermore, it will avoid the cost and burden of these erroneous findings on both employers and employees. New development activities comprise the remaining 60 percent of the requested funding and will be used to focus on internal controls so that new data captured will have high integrity. For example, a more robust person-centric data model is under development as are a series of connectors to existing systems that will enable more robust two-way data integrity checks. The proposed system enhancements would allow the EEV database to be linked into this new system.

Outreach & Publicity (54 positions, 27 FTE, $2.4M) – includes funding to inform employers about their responsibilities under the program and advising employers on how to get additional information, and responding to program and procedural questions from employers. The costs are directly related to the number of new employers coming into the program or verifying their current workforces. The outreach and publicity program would include not only periodic

2 The cost estimates assume the requirements for the expanded Employment Eligibility Verification System as identified in the Border Protection, Antiterrorism, and Illegal Immigration Control Act of 2005 (H.R. 4437).

mailings to employers but also the officers working with the employer community, including new employers, to publicize the requirements. Their functions would include holding seminars with employers at forums including employer associations and chambers of commerce meetings and conferences within their jurisdictions, as well as answering questions from individual employers about the program.

Justification
In legacy Immigration and Naturalization Service (INS), this program was fully funded through discretionary funds. Since USCIS does not have discretionary funds for this program, and does not collect fees to fund this program, discretionary resources are both appropriate and necessary to fund up-front costs of expansion.

With respect to SAVE, funding is to both replace funding from unrelated fees that are currently utilized for base operations, and to expand the SAVE system to meet the requirements of the Real ID Act. The EEV is currently a voluntary program available free of charge to employers. Additional funding will support a mandatory national electronic employment authorization verification system requirement.

Impact on Performance (Relationship of Increase to Strategic Goals)
Discretionary funding is necessary to continue the operations of the SAVE program and meet the requirements of the Real ID Act. This will prevent the diversion of fee revenues from benefits processing and meet its Strategic Goal of providing timely, consistent, and accurate information to its customers. The discretionary funding is also necessary to expand the EEV program to support a mandatory national employment eligibility verification system requirement - a key component of the Administration's Secure Border Initiative for more robust worksite enforcement.

Program Increase 2: **Business Transformation**

Strategic Goal(s) & Objective(s): 6.2 - Provide efficient and responsive immigration services that respect the dignity and value of individuals. 2.6 - Ensure the security and integrity of the immigration system.

PPA: Adjudication Services

Program Increase: Positions 0, FTE 0, Dollars $47,000

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									
Program Increase							0	0	$47,000
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$47,000**

Description of Item
Requested funding of $47 million, along with allocated fee revenue of $65 million, will support modernization of USCIS processes and systems to improve sharing of immigration information, eliminate paper-based processing, and allow USCIS to more effectively respond to changing workload

while enhancing the integrity of the immigration systems. Additionally, it will make it easier and faster for customers to electronically file immigration applications, get updates on the status of their applications, and, as appropriate, receive immigration benefits. The USCIS Transformation Program will transition the agency from one of out-dated information technology systems operating in a forms-centric environment to a single web-based information technology tool operating in a customer-centric environment driven by performance metrics.

USCIS will fundamentally change how it interacts with its customers, how it receives, processes and exchanges information and data, how it ensures the security and integrity of the immigration system, and how it can improve administrative efficiency. The program will:

- enhance security through retrievable linked biometric and biographic data obtained on initial encounter with applicant;
- transition to a less paper-intensive systems;
- create a relationship with the customer, using accounts, rather than simply conducting a series of transactions with them;
- promote e-filing of applications; reducing the number and complexity of application forms;
- electronically distribute and adjudicate applications;
- streamline the application process, removing redundancies and reducing processing times;
- share data and processes with Department of State and Department of Labor as well as Immigration and Customs Enforcement;
- locate facilities in alignment with our customer base;
- design facilities pursuant to business reengineering to achieve maximum efficiency and a customer-friendly environment;
- create training opportunities and career development paths for USCIS personnel; and
- implement new and consistent performance measures.

In FY 2006, USCIS is using discretionary and fee funds to begin improving and automating business processes that support redesigned account-based, customer-centric operations. This includes establishing a Business Transformation Office, identifying business requirements and rules, consolidating and re-working forms and instructions, upgrading field IT infrastructure, improving the web portal environment, developing background checking systems, building a repository for storing electronic biographic and biometric information, digitizing paper files, expanding biometrics capture capacity, and acquiring the commercial off-the-shelf software licenses for electronic adjudication management. By the end of FY 2006, USCIS will have launched the initial operating capability of the new account-based system, automated the filing process for many types of applications, and built the repository for storing biographic and biometric data.

In FY 2007, USCIS plans to use both discretionary and fee funds for Business Transformation to build from the work accomplished in FY 2006, including full operation capability of the case processing system and enhancements to the customer portal for two-way account management (upgrade of e-file capabilities to support electronic multi-lingual and customer-centric entry of financial, application data, and digital documents). Additional performance improvements and new capabilities include:

- integration with a new national scheduling system,
- begin integrating old data from legacy systems into the new environment and decommission legacy systems,
- investing in training and a new human capital strategy,
- experimenting with remote adjudication/videoconferencing,

- purchasing fingerprint readers for adjudication officers,
- continuing digitization of paper files,
- reducing the scale/size of USCIS' offices from large offices into smaller more-efficient facilities located closer to its customers,
- connecting the new case processing system with other Federal entities to enhance information sharing capabilities,
- creating business intelligence tools in the new case processing system for data analysis,
- expanding card production capability, and
- enhancing performance measures.

Justification

These resources are needed for USCIS to modernize and overhaul business operations and the underlying IT that supports those operations to more efficiently and effectively meet its mission of administering the nation's immigration laws and providing the Department with the information required for enforcement purposes. Over time, a substantial portion of the cost for this multi-year program can be paid for through a reformed USCIS fee system, but discretionary resources are needed up front to kick start this process, particularly with respect to IT upgrades.

USCIS' current paper-based business processes do not sufficiently support its mission and have contributed to an immigration benefit application backlog. For example, currently:

- adjudication is performed using physical folders of information requiring the physical movement and shipping of files to process a case;
- electronically-filed applications must be converted back to paper to allow for adjudication;
- important data can be difficult to locate or share within USCIS or across the Department;
- multiple agencies have often a concurrent need to the information contained in physical files;
- background checks are often manually initiated and the results of hit resolution are not retrievably stored, requiring a repeat of old steps in new applications;
- biometrics are not retrievably stored, requiring customers to make repeated trips to Application Support Centers and preventing biometric comparisons that would reduce identity fraud; and
- adjudicators spend too much time on non adjudicative activities such as repeatedly logging into and out of multiple systems, creating screen prints to serve as a paper record of electronic activities, addressing and writing correspondence to customers, compiling data from multiple sources, and performing manual data searches.

Impact on Performance (Relationship of Increase to Strategic Goals)

USCIS expects the business transformation program will result in enhanced security as a result of linking biometric and biographic information to better ensure identity verification and by expanding biometric storage to enhance identification of potential security risks. Additionally, this program will develop more extensive and reliable systems interfaces to allow DHS Components and law enforcement to retrieve vital information about individuals and ensure through automation that background checks are completed as early in the process as possible.

The program also addresses enhanced customer service as the system will be easier for customers to navigate as delays associated with the movement of paper files will be drastically reduced. Workload will be shifted electronically as necessary to balance work nationwide, and delivery of secure documents will be faster. In addition, the program will result in increased overall efficiency as

duplicative efforts will be eliminated, interoperability of systems will be improved, and one-stop access to background and security check information will be available. Overall time spent on non-adjudicative activities such as inter-filing and file movement will also be reduced dramatically. The improvements resulting from this new business model better will also better position USCIS to support the President's goal for a Temporary Worker Program.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U.S. Citizenship & Immigration Services
Justification of Proposed Changes in Salaries and Expenses
Appropriation Language

For necessary expenses for citizenship and immigration services [$115,000,000] *$181,990,000.*
(Department of Homeland Security Appropriations Act, 2006.)

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Citizenship & Immigration Services
Salaries and Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	$ 159,940
2006 Revised Enacted[1]	-	450	$ 113,850
Adjustments-to-Base			
Decreases			
Non-Recurring Items (Backlog Reduction Initiative)	-	(450)	$ (113,850)
Total, Decreases	-	(450)	$ (113,850)
Total Adjustments-to-Base	-	(450)	$ (113,850)
2007 Current Services	-	-	$ -
Program Changes			
Program Increases/(Decreases)			
SAVE/EEV	512	365	$ 134,990
Business Transformation	-	-	$ 47,000
Total Program Changes	**512**	**365**	**$ 181,990**
2007 Request	**512**	**365**	**$ 181,990**
2006 to 2007 Total Change	**512**	**(85)**	**$ 68,140**

[1] FY 2006 Enacted reflects 1% across-the-board rescission pursuant to P.L. 109-148.

C. Summary of Requirements

Department of Homeland Security
U.S. Citizenship & Immigration Services
Salaries and Expenses
Summary of Requirements
(Dollars in Thousands)

	Perm. Pos.	FTE	Amount
2005 Actual	-	-	$ 159,940
2006 Revised Enacted	-	450	$ 113,850
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Decreases			
Total Adjustments-to-Base	-	(450)	$ (113,850)
2007 Current Services	-	-	$ -
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	512	365	$ 181,990
2007 Total Request	512	365	$ 181,990
2006 to 2007 Total Change	512	(85)	$ 68,140

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-To-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1. Adjudication Services - Business Transformation	-	-	$ -	-	-	$ -	-	-	$ 47,000	-		$ 47,000	-	-	$ 47,000
2. Backlog Reduction Initiative - Contracting Services	-	450	$ 70,000	-	(450)	$ (70,000)	-	-	$ -	-		$ -	-	(450)	$ (70,000)
3. Backlog Reduction Initiative - Other	-	-	$ 9,200	-	-	$ (9,200)	-	-	$ -	-	-	$ -	-	-	$ (9,200)
4. Backlog Reduction Initiative - Digitization/IT Transformation	-	-	$ 34,650	-	-	$ (34,650)	-	-	$ -	-	-	$ -	-	-	$ (34,650)
5. Information & Customer Services - Pay & Benefits	-	-	$ -	-	-	$ -	512	365	$ 27,375	512	365	$ 27,375	512	365	$ 27,375
6. Information & Customer Services - SAVE/EEV	-	-	$ -	-	-	$ -	-	-	$ 107,615	-	-	$ 107,615	-	-	$ 107,615
Total	-	450	$ 113,850	0	(450)	$ (113,850)	512	365	$ 181,990	512	365	$ 181,990	512	(85)	$ 68,140

Note: FY 2006 Enacted reflects 1% across-the-board rescission pursuant to P.L. 109-148.

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D. Summary of Reimbursable Resources

Summary of Reimbursable Resources
U.S. Citizenship and Immigration Services
Salaries and Expenses
(Dollars in Thousands)

Collections by Source	2005 Actual Pos.	2005 Actual FTE	2005 Actual Amount	2006 Estimate Pos.	2006 Estimate FTE	2006 Estimate Amount	2007 Estimate Pos.	2007 Estimate FTE	2007 Estimate Amount	Increase/Decrease Pos.	Increase/Decrease FTE	Increase/Decrease Amount
Department of State	-	-	12,000	-	-	12,000	-	-	12,000	-	-	-
Budgetary Resources:	-	-	$ 12,000	-	-	$ 12,000	-	-	$ 12,000	-	-	-

Obligations by PPA	2005 Actual Pos.	2005 Actual FTE	2005 Actual Amount	2006 Estimate Pos.	2006 Estimate FTE	2006 Estimate Amount	2007 Estimate Pos.	2007 Estimate FTE	2007 Estimate Amount	Increase/Decrease Pos.	Increase/Decrease FTE	Increase/Decrease Amount
Adjudication Services	-	-	12,000	-	-	12,000	-	-	12,000	-	-	-
Total Obligations:	-	-	$ 12,000	-	-	$ 12,000	-	-	$ 12,000	-	-	-

Justification of Increase/Decrease: N/A

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E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Citizenship & Immigration Services
Salaries and Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	---	---	$17,544	$17,544
11.3 Other than full-time permanent	---	---	1,071	1,071
12.1 Benefits	---	---	8,760	8,760
Total, Personnel Comp. & Benefits	**---**	**---**	**$27,375**	**$27,375**
Other Object Classes:				
21.0 Travel	---	---	800	800
22.0 Transportation of things	---	1,000	---	(1,000)
23.1 GSA rent	40,000	---	8,525	8,525
23.3 Communication, Utilities, and misc charges	---	1,000	---	(1,000)
25.1 Advisory & Assistance Services	---	---	16,500	16,500
25.2 Other Services	119,950	103,850	93,490	(10,360)
25.3 Purchase from Govt. Accts.	1	---	---	---
25.7 Operation & maintenance of equipment	---	---	9,500	9,500
26.0 Supplies & materials	---	6,000	2,800	(3,200)
31.0 Equipment	1	---	23,000	23,000
42.0 Indemnity	---	2,000	---	(2,000)
44.0 Refunds	(15)	---	---	---
99.0 Other	3	---	---	---
Total, Other Object Classes	**$159,940**	**$113,850**	**$154,615**	**$40,765**
Total, Other Object Classes	**$159,940**	**$113,850**	**$181,990**	**$68,140**
Unobligated balance, start of year	---	---	---	---
Unobligated balance, end of year	---	---	---	---
Recoveries of prior year obligations	---	---	---	---
Total requirements	**$159,940**	**$113,850**	**$181,990**	**$68,140**

Note: FY 2006 Enacted reflects 1% across-the-board rescission pursuant to P.L. 109-148.

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Citizenship & Immigration Services
Salaries and Expenses
Permanent Positions by Grade

Grades and Salary Ranges	FY 2005 Actual Pos.	FY 2006 Enacted Pos.	FY 2007 Request Pos.	2006 to 2007 Change Total
Total, SES	-	-	1	-
Total, EX	-	-	-	-
GS-15	-	-	12	12
GS-14	-	-	34	34
GS-13	-	-	76	76
GS-12	-	-	170	170
GS-11	-	-	2	2
GS-10	-	-	-	-
GS-09	-	-	15	15
GS-08	-	-	1	1
GS-07	-	-	141	141
GS-06	-	-	23	23
GS-05	-	-	37	37
GS-04	-	-	-	-
GS-03	-	-	-	-
GS-02	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions				
Total Permanent Positions	-	-	**512**	**512**
Unfilled Positions EOY	-	-	315	315
Total Perm. Employment EOY	-	-	197	197
FTE	-	**450**	**365**	**(85)**
Headquarters	-	-	67 1/	67
U.S. Field	-	-	445 2/	445
Foreign Field	-	-	-	-
Total Permanent Positions	-	-	**512**	**512**
Average ES Salary	$ -	$ -	$ -	$ -
Average GS Salary	$ -	$ -	$ 75,000	$ 75,000
Average GS Grade	-	-	10.1	10.1

1/ Includes permanent positions authorized for the Washington, DC District Office and the Norfolk, VA Suboffice
2/ Includes permanent positions authorized for the Arlington, VA, Asylum Office.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Citizenship and Immigration Services

SALARIES AND EXPENSES
INFORMATION AND CUSTOMER SERVICES
Funding Schedule
(Dollars in Thousands)

PPA: Information and Customer Services		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	---	---	$17,544	$17,544
11.3	Other than perm	---	---	1,071	1,071
12.1	Benefits	---	---	8,760	8,760
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	800	800
23.1	GSA rent	---	---	8,525	8,525
25.1	Advisory & Assistance Services	---	---	11,500	11,500
25.2	Other Services	---	---	56,490	56,490
25.7	Operation & maintenance of equipment	---	---	9,500	9,500
26.0	Supplies & materials	---	---	2,800	2,800
31.0	Equipment	---	---	18,000	18,000
Total, Salaries and Expenses		---	---	**$134,990**	**$134,990**
Full Time Equivalents		---	---	365	365

PPA Mission Statement

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals: (1) Ensure the security and integrity of the immigration system, (2) Provide efficient and customer-oriented immigration benefit and information services (3) Increase understanding of citizenship and its privileges and responsibilities, (4) Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade, (5) Strengthen the infrastructure necessary to achieve USCIS' mission, and (6) Operate as a high-performance organization and position USCIS as an employer of choice.

The USCIS is a component of the Department of Homeland Security (DHS) that facilitates legal immigration for people seeking to enter, reside, or work in the United States. USCIS possesses the authority to grant or deny immigration benefits – approving over 6 million immigration benefit applications each year. These immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is a fee-based business – therefore, its business operations and associated budget varies from year to year depending upon the number of immigration benefit applications received.

The USCIS requests 512 positions, 365 FTE, and $137 million for the SAVE and EEV Programs that will allow USCIS to operate an expanded SAVE program pursuant to new identification requirements of the Real ID Act, and expand an electronic system to verify the eligibility of persons for employment in the United States.

H. PPA Budget Justifications (Cont'd)

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$0	$0	$27,375	$27,375

Salaries and Benefits funding is for 512 positions, 365 FTE for the SAVE/EEV Programs. Staff associated with these programs are for Program Administration, Program Operations, and Outreach and Publicity activities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$0	$0	$800	$800

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Travel funds requested for FY 2007 are needed to support the SAVE/EEV Programs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA Rent	$0	$0	$8,525	$8,525

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 funding requested will be used for rental space to support the SAVE/EEV Programs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$0	$0	$11,500	$11,500

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 funding requested will be used to obtain expert advisory services from non-federal sources to support the expansion and development of the SAVE/EEV Programs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$0	$0	$56,490	$56,490

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The vast majority of the costs for the FY 2007 Request are associated with systems enhancements necessary to improve data quality and instill internal controls to ensure high data integrity.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	$0	$0	$9,500	$9,500

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request is for the operating and maintenance costs of verification systems related to the SAVE/EEV programs.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$0**	**$2,800**	**$2,800**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request is for office supplies and materials in support of the SAVE/EEV Programs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$0**	**$18,000**	**$18,000**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The majority of the FY 2007 Request is related to system enhancement costs necessary to improve data quality and instill internal controls to ensure high data integrity.

H. PPA Budget Justifications (Cont'd)

Department of Homeland Security

U.S. Citizenship and Immigration Services

SALARIES AND EXPENSES
ADJUDICATION SERVICES

Funding Schedule
(Dollars in Thousands)

PPA: Adjudication Services		2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
25.1	Advisory & Assistance Services	---	---	$5,000	5,000
25.2	Other Services	---	---	37,000	37,000
31.0	Equipment	---	---	5,000	5,000
Total, Salaries and Expenses		---	---	**$47,000**	**$47,000**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals: (1) Ensure the security and integrity of the immigration system, (2) Provide efficient and customer-oriented immigration benefit and information services (3) Increase understanding of citizenship and its privileges and responsibilities, (4) Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade, (5) Strengthen the infrastructure necessary to achieve USCIS' mission, and (6) Operate as a high-performance organization and position USCIS as an employer of choice.

The USCIS is a component of the Department of Homeland Security (DHS) that facilitates legal immigration for people seeking to enter, reside, or work in the United States. USCIS possesses the authority to grant or deny immigration benefits – approving over 6 million immigration benefit applications each year. These immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is a fee-based business – therefore, its business operations and associated budget varies from year to year depending upon the number of immigration benefit applications received.

The Request includes a one-time discretionary program increase of $47 million to transform USCIS' current paper-based data systems into a modern, world-class digital processing resource that will enhance customer service, better prevent future backlogs, and improve USCIS efficiency with expanded electronic filing and strengthened security.

H. PPA Budget Justifications (Cont'd)

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory & Assistance Services	---	---	**$5,000**	**$5,000**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 Request will be used to obtain expert advisory services from non-federal sources to support USCIS Business Transformation efforts.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	—	---	**$37,000**	**$37,000**

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 Request will be used for the Business Transformation efforts, including services necessary to enhance the new case processing system, training employees on the new system, and upgrading the customer portal to support new e-filing capabilities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	—	---	**$5,000**	**$5,000**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 funding requested will be used for investments in support of Business Transformation efforts, including fingerprint readers for Adjudication Officers, new videoconferencing equipment, and a repository to support the new paperless case processing environment.

I. Schedule of Working Capital Fund

Not applicable

Department of Homeland Security

U.S. Citizenship & Immigration Services

Immigration Examinations Fee Account

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CITIZENSHIP & IMMIGRATION SERVICES
Immigration Examinations Fee Account

I. Appropriation Overview

A. Mission Statement for Immigration Examinations Fee Account:
Funding from the Immigration Examinations Fee Account (IEFA) is the primary program funding source, comprising 89% of the total USCIS budget request. Fees collected from persons filing immigration benefit applications are deposited into the IEFA and used to fund the full cost of processing immigration benefit applications and associated support benefits; the full cost of providing similar benefits to asylum and refugee applicants; and the full cost of similar benefits provided to other immigrants, at no charge.

In FY 2005, USCIS made significant progress toward fulfilling the President's goal of eliminating the backlog by the end of FY 2006. USCIS increased overall production by 14.3% and decreased the backlog to 1 million immigration benefit applications from a high of 3.8 million cases in January 2004. USCIS also met and/or exceeded cycle time targets in 14 of 16 major form types. In addition, USCIS completed a total of 116,469 asylum cases in FY 2005, representing a 7% increase in productivity from the previous fiscal year, when it completed 108,950. USCIS also worked steadily with its refugee program partners to successfully meet refugee admissions levels designated by the President while ensuring that the integrity and security of the program remained intact. USCIS officers conducted refugee status interviews in over 50 locations and interviewed more than 58,937 refugee applicants from over 60 countries. As a result of these efforts, 53,813 refugees were admitted to the United States during FY 2005, an increase of almost 1,000 over FY 2004.

In FY 2006, USCIS will use IEFA funding to continue aggressively working on the backlog elimination plan to achieve the target six-month cycle time standard for all immigration benefit applications by the end of the fiscal year. USCIS will also use IEFA funding to support business transformation efforts that will support modernization of USCIS business processes and underlying systems. Automation of USCIS operations will improve sharing of immigration information, eliminate paper-based processing, and allow USCIS to more effectively respond to changing workload. Additionally, it will make it easier and faster for customers to electronically file immigration applications, get updates on the status of their applications, and, as appropriate, receive immigration benefits.

In FY 2007, USCIS will use IEFA funding to process over 6 million immigration benefit applications while maintaining backlog goals achieved at the end of FY 2006 and ensuring the security and integrity of the immigration system. USCIS plans to continue to use some IEFA funds for business transformation efforts building from the work completed in FY 2006.

B. Budget Activities:

Adjudication Services - Through a network of 250 local offices, Application Support Centers, Service Centers, Asylum offices, USCIS is responsible for the timely and quality processing of:

- *Family-based petitions* - facilitating the process for close relatives to immigrate, gain permanent residency, work, etc.;
- *Employment-based petitions* - facilitating the process for current and prospective employees to immigrate or stay in the U.S. temporarily;
- *Asylum and Refugee processing* - adjudicating asylum applications and the processing of refugees; and
- *Naturalization* - processing applications of those who wish to become U.S. citizens.

Information and Customer Services - Through multiple channels of available assistance, including the USCIS website, toll-free call center (National Customer Service Call Center), and face-to-face appointments; USCIS will make it easier for its customers to get the information they need, when they need it. On an annual basis, USCIS:

- Serves over 14 million customers via the National Customer Service Call Centers
- Serves approximately 5 million customers through information counters at local offices

Administration - USCIS Headquarters offices are located in Washington, DC and exist to support and guide USCIS offices around the world. These offices include Administration, Budget, Financial Management, Chief Counsel, Citizenship, Communications, Congressional Relations, Policy and Strategy, Training and Career Development, and Security and Investigations.

C. Budget Request Summary:

USCIS requests 8,610 positions, 9,527 FTE, and $1.760 billion. Funds will support the processing of over 6 million immigration benefit applications; maintaining backlog goals achieved at the end of FY 2006, and ensuring the security and integrity of the immigration system. The requested amount is based on projected fee levels that will increase by $30 million. Fee funds will also be used to transform USCIS' current paper-based data systems into an automated and interoperable environment that will enhance customer service, better prevent future backlogs, and improve USCIS efficiency with expanded electronic filing and strengthened security.

D. Fee Reform:

Along with transforming its business processes, redesigning forms, and improving service delivery and value to its customers, USCIS will reform its fee structure to ensure the recovery of operational costs in line with Federal fee guidelines. Currently, all application fees are not optimally aligned with the cost of each application, and improvements must be made for the long term to more effectively link regular and premium fees to specific service levels. This effort becomes even more important as USCIS operations are automated, forms are reduced and simplified, and USCIS prepares to take on substantial new activities including the President's Temporary Worker Program and a mandatory employment eligibility verification system. The Department intends to embark on a comprehensive,

long-term fee reform rulemaking process for completion in 2007 with implementation in 2008. In the short term, DHS will continue to pursue modest rulemaking and legislative changes necessary to address near-term changes in operations. The Department will consider the need for additional legislative changes as part of this fee reform initiative and may transmit legislation at a later date.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

DEPARTMENT OF HOMELAND SECURITY
U.S. CITIZENSHIP & IMMIGRATION SERVICES (USCIS)
SUMMARY OF FY 2007 BUDGET ESTIMATES BY APPROPRIATION AND PPA
IMMIGRATION EXAMINATIONS FEE ACCOUNT
(Dollars in Thousands)

BUDGET ACTIVITY	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 President's Budget		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adjudication Services												
Pay & Benefits	7,039	$ 555,316	7,205	$ 638,000	7,205	$601,600	-	$ (36,400)	-	$ -	-	$ (36,400)
District Operating Expenses	-	$ 273,763	-	$ 340,000	-	$379,400	-	$ 39,400	-	$ -	-	$ 39,400
Service Center Operating Expenses	-	$ 213,705	-	$ 234,000	-	$252,000	-	$ 18,000	-	$ -	-	$ 18,000
Asylum/Refugee Operating Expenses	-	$ 62,523	-	$ 74,000	-	$75,000	-	$ 1,000	-	$ -	-	$ 1,000
Records Operating Expenses	-	$ 62,348	-	$ 66,000	-	$67,000	-	$ 1,000	-	$ -	-	$ 1,000
Information and Customer Services												
Pay & Benefits	926	$ 68,477	1,790	$ 80,000	1,790	$81,000	-	$ 1,000	-	$ -	-	$ 1,000
Customer Service Center Operating Expenses	-	$ 44,962	-	$ 47,000	-	$48,000	-	$ 1,000	-	$ -	-	$ 1,000
Information Services Operating Expenses	-	$ 12,719	-	$ 14,000	-	$15,000	-	$ 1,000	-	$ -	-	$ 1,000
Administration												
Pay & Benefits	337	$ 32,597	532	$ 44,000	532	$45,000	-	$ 1,000	-	$ -	-	$ 1,000
Operating Expenses	-	$ 183,146	-	$ 193,000	-	$196,000	-	$ 3,000	-	-	-	$ 3,000
Total	8,302	$ 1,509,556	9,527	$ 1,730,000	9,527	$ 1,760,000	-	$ 30,000	-	$ -	-	$ 30,000

Note: The changes within the Adjudication Services PPA represents a decline in term staff pay and benefit costs and a commensurate increase in operating expenses for recurring costs previously funded through discretionary Backlog Reduction Initiative dollars.
Note: All programs reflect a $30 million mandatory increase for pay and non-pay adjustments from projected fee increases.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Citizenship and Immigration Services
Immigration Examinations Fee Account
Program Performance Justification
(Dollars in thousands)

PPA: ADJUDICATION SERVICES

	Perm. Pos.	FTE	Amount
2005 Actual	**5,398**	**7,039**	**$1,167,655**
2006 Revised Enacted	**6,455**	**7,205**	**$1,352,000**
2007 Adjustments-to-Base	0	0	$23,000
2007 Current Services	**6,455**	**7,205**	**$1,375,000**
2007 Program Change	0	0	$0
2007 Request	**6,455**	**7,205**	**$1,375,000**
Total Change 2006-2007	**0**	**0**	**$23,000**

USCIS requests $1.375 billion to process over 6 million immigration benefit applications while maintaining backlog goals achieved at the end of FY 2006, and ensuring the security and integrity of the immigration system. Fee funds will also be used to transform USCIS' current paper-based data systems into a modern, world-class digital processing resource that will enhance customer service, better prevent future backlogs, and improve USCIS efficiency with expanded electronic filing and strengthened security. The requested base adjustment of $23 million reflects an allocated share of a projected increase in fee collections.

CURRENT SERVICES PROGRAM DESCRIPTION:

Through a network of 250 local offices, Application Support Centers, Service Centers, Asylum offices, USCIS is responsible for the timely and quality processing of:

- *Family-based petitions* - facilitating the process for close relatives to immigrate, gain permanent residency, work, etc.;
- *Employment-based petitions* - facilitating the process for current and prospective employees to immigrate or stay in the U.S. temporarily;
- *Asylum and Refugee processing* - adjudicating asylum applications and the processing of refugees; and
- *Naturalization* - processing applications of those who wish to become U.S. citizens.

USCIS works in coordination with other bureaus of DHS, and with agencies such as the Departments of Labor and State, and the Federal Bureau of Investigation (to conduct background checks).

On average, USCIS annually:

- Processes over 6 million applications
- Processes close to 90,000 asylum cases
- Conducts approximately 70,000 refugee interviews, and
- Conducts the naturalization of approximately half a million new citizens.

Each year, millions of people apply for various types of immigration benefits from the U.S. government. Adjudications Officers determine eligibility for a wide variety of benefits. They review applications and often conduct interviews of the applicants. Adjudications Officers have the dual responsibility of providing courteous service to the public while being alert to the possibility of fraud and misrepresentation. District Adjudications Officers are located in offices nationwide. Center Adjudications Officers are located only in the following Service Centers: St. Albans, VT; Lincoln, NE; Irving, TX; and Laguna Niguel, CA.

The Asylum Officer determines if an applicant for asylum satisfies the requirements of the Immigration and Nationality Act. These officers must be knowledgeable of human rights conditions around the world and possess a keen insight into human behavior in order to determine the credibility and consistency of information elicited through interviews they conduct. Positions are located in Asylum Offices throughout the U.S. The Asylum Officer Corps and new Refugee Officer Corps will also help USCIS leverage specialized resources, including professional interpreters, to deliver timely and accurate provision of legal protection to individuals who have been persecuted and displaced.

In coordination with DHS and other Federal agencies, USCIS will combat immigration benefit fraud through the Office of Fraud Detection and National Security (FDNS). USCIS will continue to train FDNS staff to analyze and identify fraud patterns and trends, and document evidence of fraud for administrative action. USCIS will continue to implement fraud detection measures in Service Centers, field offices, and Refugee and Asylum programs and train adjudications staff to proactively identify fraud/security profiles while considering an application.

PPA: INFORMATION AND CUSTOMER SERVICES

	Perm. Pos.	FTE	Amount
2005 Actual	**861**	**926**	**$126,158**
2006 Revised Enacted	**1,655**	**1,790**	**$141,000**
2007 Adjustments-to-Base	0	0	$3,000
2007 Current Services	**1,655**	**1,790**	**$144,000**
2007 Program Change	0	0	$0
2007 Request	**1,655**	**1,790**	**$144,000**
Total Change 2006-2007	**0**	**0**	**$3,000**

USCIS requests $144 million to provide timely, consistent, and accurate information to our customers. The requested base adjustment of $3 million reflects an allocated share of a projected increase in fee collections.

CURRENT SERVICES PROGRAM DESCRIPTION:

Through the Information and Customer Services Program, USCIS reduces the frequency of repeated, redundant applicant contact with USCIS employees, thus improving agency efficiency. USCIS makes it easier for our customers to get the information they need, when they need it through multiple channels of available assistance, including the USCIS website, toll-free call center (National Customer Service Call Center), and face-to-face appointments.

On an annual basis, USCIS:

- Serves over 14 million customers via the National Customer Service Call Centers
- Serves approximately 5 million customers through information counters at local offices

Each year millions of people apply for various types of benefits under the Immigration and Nationality Act. The Immigration Information Officer (IIO) provides information about immigration and nationality law and regulations. They assist with a wide variety of requests, including questions on how to complete required forms, and explaining the administrative procedures and normal processing times for each application. IIOs provide a range of customer services, including certain case services and problem resolution assistance on applications and petitions. IIOs also process and make decisions on a limited array of applications and petitions. Positions are located throughout the country in Districts, Sub offices, and Service Centers.

Through the National Customer Service Center's four telephone centers, USCIS provides toll-free nationwide assistance to customers calling from within the U.S. Customers can access live assistance from 8:00 AM until 6:00 PM, Monday through Friday. They can also access recorded information (including information about the status of their specific case) 24 hours a day/7 days a week. Both live and recorded service is available in English and Spanish. Callers from outside the U.S. can access more limited information through a separate toll number.

USCIS receives about 1.7 million direct information and customer service related contacts. Today, over 84% of all information and customer service interactions are self-service. The self-service options give customers new choices that are simpler and more effective to both customers and USCIS. This option also results in significant cost avoidance when compared to what it would cost USCIS to provide live assistance to all these customers.

In-person service continues to be a critical component of the USCIS service model. To improve service levels, USCIS has shifted to offering most in-person service by appointment. This has helped mitigate long lines and wait times, and address customer concerns and inquiries.

To more clearly assist and communicate with customers, USCIS has developed a new series of fact sheets focused on particular kinds of customers and services available to them. It will also include a fact sheet focused on customers after they file an application, setting out criteria for case services to do a better job of responding to the questions and concerns of customers.

PPA: ADMINISTRATION

	Perm. Pos.	FTE	Amount
2005 Actual	**280**	**337**	**$215,743**
2006 Revised Enacted	**500**	**532**	**$237,000**
2007 Adjustments-to-Base	0	0	$4,000
2007 Current Services	**500**	**532**	**$241,000**
2007 Program Change	0	0	$0
2007 Request	**500**	**532**	**$241,000**
Total Change 2006-2007	**0**	**0**	**$4,000**

USCIS requests $241 million to strengthen key management processes, systems, and administrative support activities; and to facilitate mission success and enhance the timeliness, accountability, efficiency and effectiveness of service delivery. The requested base adjustment of $4 million reflects an allocated share of a projected increase in fee collections.

CURRENT SERVICES PROGRAM DESCRIPTION:

USCIS Headquarters offices are located in Washington, DC and exist to support and guide USCIS offices around the world.

Office of Administration plans, develops, implements, and evaluates agency-wide policies, procedures, and programs for Acquisition and Asset Management, Facilities, Human Capital, Logistics, Occupational Safety and Health, and Workers Compensation for the operation of centrally managed, agency-wide support activities, and for the direct delivery of administrative support to Headquarters.

Office of Budget is responsible for USCIS budget formulation and execution.

Office of Chief Counsel (principal legal advisor) consists of dedicated legal divisions advising and representing USCIS Operations both at Headquarters and in the field. Divisions include Adjudications Law, Refugee and Asylum Law, Commercial and Administrative Law, Ethics, Field Operations, Training, and Liaison. Each division is responsible for reviewing, interpreting, and providing legal advice and guidance to USCIS operational components and OCC field staff.

Office of Citizenship promotes civic integration and instruction and training on citizenship responsibility for legal immigrants interested in becoming naturalized citizens of the United States, including development of educational materials and community outreach activities.

Office of Communications oversees and coordinates communication to both internal and external stakeholders to empower employees with the tools needed to perform their jobs, educate the public regarding USCIS benefits and services, and facilitate consistent messaging and imaging for USCIS.

Office of Congressional Relations advises the Director on legislative matters and serves as primary point of contact for members of Congress and congressional staffers.

Office of Ombudsman Liaison serves as the Director's representative to the DHS CIS Ombudsman and provides customer relationship management oversight and evaluation.

Performance Management Division is charged with developing the USCIS Backlog Elimination Plan and monitoring progress against the Plan; developing and managing the performance metrics for quality and production; and providing analysis of operational programs.

Office of Financial Management executes financial management for the agency.

Office of Policy and Strategy directs, prioritizes, and sets the agenda for agency-wide policy, strategy, and long-term planning activities, as well as for the conduct of research and analysis on immigration services issues.

Office of Security and Investigations has a range of responsibilities including oversight of COOP planning and implementation; secure communications and document storage; agency wide physical and facility security programs; and security awareness training. In coordination with Fraud Detection and National Security Division, OSI has the lead role regarding **Office of Professional Responsibility** related management inquiries.

Office of Training and Career Development provides continuous professional training and career development to all USCIS employees through a variety of career, executive and managerial development programs. Responsibilities include basic training, training management, training operations, and training support services.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Temporary Protected Status Fee Adjustment

Sec. XX. Temporary Protected Status Fee Flexibility.

Section 244(c)(1)(B) of the Immigration and Nationality Act as amended, 8 U.S.C. 1254a(c)(1)(B), is amended by striking the second sentence.

Explanation of Changes:

The fee for adjudicating an application for Temporary Protected Status (TPS) has been capped at $50 since 1990. This limitation is inconsistent with the fee structure for other immigration benefit applications, which is based on the recovery of full processing costs. This amendment would permit appropriate adjustment of the TPS fee structure according to processing costs and inflation, per the regulatory process. The amendment removes the sentence "The amount of such fee shall not exceed $50."

Amendment Authorizing Expansion of Premium Processing Fee Authority

Section XX. Premium Processing

Subsection 286(u) of the Immigration and Nationality Act, 8 U.S.C. 1356(u), is amended to read:

"(u) Premium fee for petitions and applications

(1) The Secretary of Homeland Security is authorized to establish and collect a premium fee for employment-based petitions and applications. This fee shall be used to provide certain premium-processing services to business customers, and to make infrastructure improvements in the adjudications and customer-service processes. This fee shall be set at $1,000, and may be adjusted according to the Consumer Price Index. The Secretary may in his unreviewable discretion establish a premium fee in excess of $1,000 for any service relating to the immigration of any alien under section 203(b)(5) of this Act.
(2) The Secretary of Homeland Security is authorized to establish and collect premium fees for petitions and applications other than those described in paragraph (1) of this subsection. These fees shall be used to provide certain premium-processing services to customers, and to make infrastructure or other improvements in the adjudications and customer-service processes. These fees shall not exceed $1,000 per petition or application, and shall be established and adjusted in the unreviewable discretion of the Secretary of Homeland Security for each type of petition or application for which such a fee is provided.
(3) The premium fees described in this subsection shall be paid in addition to any normal petition/application fee that may be applicable, and shall be deposited as offsetting collections in the Immigration Examinations Fee Account. For approval of the benefit applied for, the petitioner/applicant must meet the legal criteria for such benefit. The Secretary of Homeland Security may adjust such fees according to the Consumer Price Index.

(4) Subchapter II of chapter 5 of Title 5, U.S. Code (commonly referred to as the "Administrative Procedure Act"), or the provisions of any other law relating to rulemaking or to publication in the Federal Register, shall not apply to the setting or adjustment of fees under this subsection. The setting or adjustment of fees by the Secretary under this subsection shall not be subject to judicial review.

Explanation of Changes:

Subsection 286(u) of the Immigration and Nationality Act (INA) authorizes a $1,000 premium processing fee to be charged for employment-based immigration petitions and applications. Under this authority as implemented by regulation (8 C.F.R. § 103.2(f)), USCIS offers a premium processing service under which employers filing USCIS Forms I-129 seeking to sponsor aliens for certain immigrant or nonimmigrant classifications can obtain 15-day processing of their petitions by submitting the additional fee. The proposed amendment would authorize the Secretary of Homeland Security to establish premium processing fees for other applications or petitions, such as non-employment based immigration petitions and applications, employment authorization applications, or applications to change or extend nonimmigrant status. The determination whether to implement premium processing service for any specific adjudication, the terms of service, and the applicable premium fee, would be within the Secretary's discretion, but the fee could not exceed the $1,000 charged for employment-based premium processing. Premium processing fees would be deposited, as are other adjudication fees, into the Immigration Examinations Fee Account in order to enhance USCIS customer service as well as provide the premium service itself. In order to provide the Secretary with flexibility to adjust the fees as needed, the amendment clarifies that APA rulemaking and Federal Register publication requirements do not apply. Rather, availability and terms of premium processing would be publicized through the USCIS web site. The amendment also authorizes premium fees in excess of $1,000 for employment-based adjudications relating to the investor visa (EB-5) program for investors of at least $500,000 in job-creating enterprises, including regional centers, for which the current $1,000 cap does not justify the cost-effective provision of premium service.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Citizenship & Immigration Services
Immigration Examinations Fee Account
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE		Amount
2005 Actual	**6,539**	**8,302**	**$**	**1,509,556**
2006 Revised Enacted	**8,610**	**9,527**	**$**	**1,730,000**
Adjustments-to-Base				
Increases				
2007 pay increase	-	-	$	12,000
Non-pay inflation excluding GSA Rent	-	-	$	18,000
Total Increases	-	-	$	30,000
2007 Current Services	**8,610**	**9,527**	**$**	**1,760,000**
2007 Request	**8,610**	**9,527**	**$**	**1,760,000**
2006 to 2007 Total Change	**-**	**-**	**$**	**30,000**

C. Summary of Requirements

Department of Homeland Security
U.S. Citizenship & Immigration Services
Immigration Examinations Fee Account
Summary of Requirements
(Dollars in Thousands)

	Perm. Pos.	FTE	Amount
2005 Actual	6,539	8,302	$ 1,509,556
2006 Revised Enacted	8,610	9,527	$ 1,730,000
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	-	-	$ 30,000
Total Adjustments-to-Base	-	-	$ 30,000
2007 Current Services	8,610	9,527	$ 1,760,000
2007 Total Request	8,610	9,527	$ 1,760,000
2006 to 2007 Total Change	-	-	$ 30,000

Estimates by Program/Project Activity	2006 Revised/Enacted			2007 Adjustments-To-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1. Adjudication Services - Pay & Benefits	6,455	7,205	$ 638,000	-	-	$ (36,400)	-	-	$ -	6,455	7,205	$ 601,600	-	-	$ (36,400)
2. Adjudication Services - District Operating Expenses	-	-	$ 340,000	-	-	$ 39,400	-	-	$ -	-	-	$ 379,400	-	-	$ 39,400
3. Adjudication Services - Service Center Operating Expenses	-	-	$ 234,000	-	-	$ 18,000	-	-	$ -	-	-	$ 252,000	-	-	$ 18,000
4. Adjudication Services - Asylum/Refugee Operating Expenses	-	-	$ 74,000	-	-	$ 1,000	-	-	$ -	-	-	$ 75,000	-	-	$ 1,000
5. Adjudication Services - Records Operating Expenses	-	-	$ 66,000	-	-	$ 1,000	-	-	$ -	-	-	$ 67,000	-	-	$ 1,000
6. Information & Customer Services - Pay & Benefits	1,655	1,790	$ 80,000	-	-	$ 1,000	-	-	$ -	1,655	1,790	$ 81,000	-	-	$ 1,000
7. Information & Customer Services - NCSC Operating Expenses	-	-	$ 47,000	-	-	$ 1,000	-	-	$ -	-	-	$ 48,000	-	-	$ 1,000
8. Information & Customer Services - Operating Expenses	-	-	$ 14,000	-	-	$ 1,000	-	-	$ -	-	-	$ 15,000	-	-	$ 1,000
9. Administration - Pay & Benefits	500	532	$ 44,000	-	-	$ 1,000	-	-	$ -	500	532	$ 45,000	-	-	$ 1,000
10. Administration - Operating Expenses	-	-	$ 193,000	-	-	$ 3,000	-	-	$ -	-	-	$ 196,000	-	-	$ 3,000
Total	8,610	9,527	$ 1,730,000	-	-	$ 30,000	-	-	$ -	8,610	9,527	$ 1,760,000	-	-	$ 30,000

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D. Summary of Reimbursable Resources

Summary of Reimbursable Resources
U.S. Citizenship and Immigration Services
Immigration Examinations Fee Account
(Dollars in Thousands)

Collections by Source	FY 2005 Actual			FY 2006 Estimate			FY 2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Department of Justice	-	-	$ 1,272	-	-	$ 2,000	-	-	$ 2,000	-	-	$ -
Department of the Interior	2	2	$ 300	2	2	$ 196	-	-	$ -	(2)	(2)	$ (196)
DHS Office of Procurement Operations	-	-	$ 20	-	-	$ -	-	-	$ -	-	-	$ -
Transportation Security Administration	-	-	$ 300	-	-	$ 500	-	-	$ 500	-	-	$ -
US Customs and Border Protection	47	23	$ 4,096	47	23	$ 6,000	47	23	$ 6,000	-	-	$ -
US Department of Labor	2	0.2	$ 9	2	0.2	$ 10	2	0.2	$ 10	-	-	$ -
US Immigration Customs Enforcement	-	-	$ 548	136	66	$ 7,794	136	66	$ 9,490	-	-	
Federal Emergency Management Administration	-	-	$ 455	-	-	$ 1,500	-	-	$ -	-	-	$ (1,500)
Budgetary Resources:	**51**	**25.2**	**$ 7,000**	**187**	**91.2**	**$ 18,000**	**185**	**89.2**	**$ 18,000**	**(2)**	**(2)**	**$ (1,696)**

Obligations by PPA	FY 2005 Actual			FY 2006 Estimate			FY 2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Adjudication Services	51.0	25.20	$ 6,545	187	91.20	$ 16,500	185	89.20	$ 18,000	(2)	(2)	$ (196)
Administration	-	-	$ 455	-	-	$ 1,500	-	-	$ -	-	-	$ (1,500)
Total Obligations:	**-**	**-**	**$ 7,000**	**-**	**-**	**$ 18,000**	**-**	**-**	**$ 18,000**	**(2)**	**(2)**	**$ (1,696)**

Justification of Increase/Decrease.

Adjudication Services: The FY 2007 requested amount includes a reduction of $196K, which reflects the completion of a two-year agreement with the Department of the Interior (DOI), during which time the USCIS provided Protective Consultant Services for DOI employees stationed in the Commonwealth of the Northern Mariana Islands.

Administrative Services: The FY 2007 estimated amount reflects a reduction of $1.5M resulting from the termination of an interagency agreement (IAA) with Federal Emergency Management Agency (FEMA). The USCIS provided volunteer federal employees to FEMA in support of the Hurricane Katrina relief effort.

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E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Citizenship & Immigration Services
Immigration Examinations Fee Account
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$397,165	$524,263	$485,574	($38,689)
11.3 Other than full-time permanent	85,420	75,335	75,150	(185)
11.5 Other Personnel Compensation	36,269	25,000	30,640	5,640
12.1 Benefits	136,773	135,277	134,161	(1,116)
13.0 Benefits-former	763	2,125	2,074	(51)
Total, Personnel Comp. & Benefits	**$656,390**	**$762,000**	**$727,600**	**($34,400)**
Other Object Classes:				
21.0 Travel	27,153	27,000	19,059	(7,941)
22.0 Transportation of things	2,905	3,000	3,000	---
23.1 GSA rent	77,823	126,000	146,772	20,772
23.2 Other rent	3,296	2,000	2,000	---
23.3 Communication, Utilities, and misc charges	23,206	24,000	27,000	3,000
24.0 Printing	4,989	5,000	5,000	---
25.1 Advisory & Assistance Services	70,968	71,000	71,609	609
25.2 Other Services	502,934	517,930	555,972	38,042
25.3 Purchase from Govt. Accts.	82,683	83,000	95,819	12,819
25.4 Operation & maintenance of facilities	1,153	2,000	2,291	291
25.7 Operation & maintenance of equipment	6,912	6,000	6,000	---
26.0 Supplies & materials	24,861	61,000	59,062	(1,938)
31.0 Equipment	22,047	40,001	37,715	(2,286)
32.0 Land & Structures	24	---	---	---
41.0 Grants/Subsidies/Contributions	---	662	662	---
42.0 Indemnity	1,499	(593)	439	1,032
43.0 Interest and Dividends	5	---	---	---
44.0 Refunds	708	---	---	---
Total, Other Object Classes	**$853,166**	**$968,000**	**$1,032,400**	**$64,400**
Total, Direct Obligations	**$1,509,556**	**$1,730,000**	**$1,760,000**	**$30,000**
Unobligated balance, start of year	(269,000)	(289,815)	(319,815)	(30,000)
Unobligated balance, end of year	289,815	319,815	352,815	33,000
Recoveries of prior year obligations	(30,000)	(30,000)	(30,000)	---
Total requirements	**$1,500,371**	**$1,730,000**	**$1,763,000**	**$33,000**

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Citizenship & Immigration Services
Immigration Examinations Fee Account
Permanent Positions by Grade

Grades and Salary Ranges	FY 2005 Actual Pos.	FY 2006 Enacted Pos.	FY 2007 Request Pos.	2006 to 2007 Change Total
Total, SES	12	30	30	-
Total, EX	0	1	1	-
GS-15	224	214	214	-
GS-14	415	439	439	-
GS-13	703	803	803	-
GS-12	1,992	2,148	2,148	-
GS-11	427	643	643	-
GS-10	77	77	77	-
GS-09	483	855	855	-
GS-08	562	674	674	-
GS-07	893	1,419	1,419	-
GS-06	147	182	182	-
GS-05	558	853	853	-
GS-04	43	214	214	-
GS-03	3	31	31	-
GS-02	-	24	24	-
Other Graded Positions	-	3	3	-
Ungraded Positions				
Total Permanent Positions	**6,539**	**8,610**	**8,610**	-
Unfilled Positions EOY	2,031	172	172	-
Total Perm. Employment EOY	6,539	8,438	8,438	-
FTE	**8,302**	**9,527**	**9,527**	-
Headquarters	1,207	943	943	-
U.S. Field	4,588 1/	6,867 1/	6,867 1/	-
Foreign Field	744 2/	800 2/	800 2/	-
Total Permanent Positions	**6,539**	**8,610**	**8,610**	-
Average ES Salary	$ 143,657	$ 145,449	$ 149,922	$ 4,473
Average GS Salary	$ 71,836	$ 73,488	$ 75,179	$ 1,690
Average GS Grade	10.2	9.6	9.6	-

1/ Includes permanent positions authorized for the Washington, DC, District Office and the Norfolk, VA, Suboffice
2/ Includes permanent positions authorized for the Arlington, VA, Asylum Office.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Citizenship and Immigration Services

IMMIGRATION EXAMINATIONS FEE ACCOUNT
ADJUDICATION SERVICES

Funding Schedule
(Dollars in Thousands)

PPA: Adjudication Services		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$357,396	$449,275	$397,675	($51,600)
11.3	Other than perm	53,237	46,697	64,818	18,121
11.5	Other per comp	28,084	21,849	25,927	4,078
12.1	Benefits	116,592	118,300	111,328	(6,972)
13.0	Benefits-former	7	1,879	1,852	(27)
21.0	Travel	24,490	21,994	14,053	(7,941)
22.0	Transportation of things	2,752	2,931	2,931	---
23.1	GSA rent	33,137	70,824	82,796	11,972
23.2	Other rent	3,296	1,425	1,425	-
23.3	Communication, Utilities, and misc charges	3,899	15,399	18,399	3,000
24.0	Printing	4,826	3,104	3,104	---
25.1	Advisory & Assistance Services	55,766	63,195	63,195	---
25.2	Other Services	385,875	397,390	438,759	41,369
25.3	Purchase from Govt. Accts.	50,792	49,830	59,507	9,677
25.4	Operation & maintenance of facilities	1,153	1,158	1,449	291
25.7	Operation & maintenance of equipment	5,081	4,310	4,310	---
26.0	Supplies & materials	21,847	52,418	52,418	---
31.0	Equipment	17,254	30,615	30,615	---
32.0	Land & Structures	24	---	---	---
42.0	Indemnity	1,434	(593)	439	1,032
43.0	Interest and Dividends	5	---	---	---
44.0	Refunds	708	---	---	---
Total, Examinations Fees		**$1,167,655**	**$1,352,000**	**$1,375,000**	**$23,000**
Full Time Equivalents		7,039	7,205	7,205	---

PPA Mission Statement

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals: (1) Ensure the security and integrity of the immigration system, (2) Provide efficient and customer-oriented immigration benefit and information services (3) Increase understanding of citizenship and its privileges and responsibilities, (4) Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade, (5) Strengthen the infrastructure necessary to achieve USCIS' mission, and (6) Operate as a high-performance organization and position USCIS as an employer of choice.

The USCIS is a component of the Department of Homeland Security (DHS) that facilitates legal immigration for people seeking to enter, reside, or work in the United States. USCIS possesses the authority to grant or deny immigration benefits – approving over 6 million immigration benefit applications each year. These immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is a fee-based business – therefore, its business operations and associated budget varies from year to year depending upon the number of immigration benefit applications received.

The funds from the Immigration Examinations Fee Account (IEFA), Adjudication Services Program, is the primary funding source and Program supporting USCIS' mission. USCIS requests $1.375 billion to process over 6 million immigration benefit applications, maintaining backlog goals achieved at the end of FY 2006, and ensuring the security and integrity of the immigration system. Funds from this Program will also be used for USCIS' Business Transformation Program.

H. PPA Budget Justifications (Cont'd)

Summary Justification and Explanation of Changes

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Salaries and Benefits	$555,316	$638,000	$601,600	($36,400)

Salaries and Benefits includes costs for 7,205 FTEs. The FY 2007 estimate includes an increase for cost-of-living adjustments, and a decrease related to expiration of term appointments for staff hired to support the backlog elimination efforts funded out of the Immigration Examinations Fee Account.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Travel	$24,490	$21,994	$14,053	($7,941)

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 funding requested will be used to finance the travel and temporary duty costs of USCIS employees engaged in the day to day operations of the agency. The reduction over FY2006 reflects a planned decline in the number of employee travel assignments due to the completion of the backlog reduction program.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Transportation of Things	$2,752	$2,931	$2,931	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 funding requested will be used to finance the transportation of furniture and other household goods associated with the rotation of overseas employees and the permanent change of station or relocation of domestically based USCIS federal employees.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
GSA rent	$33,137	$70,824	$82,796	$11,972

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 funding requested will be use to finance anticipated rent costs associated with USCIS operations.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Other Rent	$3,296	$1,425	$1,425	$0

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 funding requested will be used to finance the costs of non-GSA rental expenses associated with building space acquired for temporary staging and handling of benefit application and petitions received.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Communication, Utilities, and miscellaneous charges	$3,899	$15,399	$18,399	$3,000

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 funding requested will be used to finance local and long distance federal telephone system (FTS) lines, guard services, janitorial and other cleaning and property maintenance services acquire to support the operation of the USCIS.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$4,826	$3,104	$3,104	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 funding requested will be used to finance the costs of printing application and petition forms as well as other USCIS business materials.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$55,766	$63,195	$63,195	$0

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance advisory and assistance services obtained through competitive contract actions. Advisory and assistance services are being used by USCIS to support Information Technology and other related modernization initiatives. Advisory and assistance services are also obtained as needed to support the USCIS bi-annual fee study review, to assist with the continued planning and creation of the new refugee corps as well as to support improvements in the areas of facilities planning, financial systems design and employee training and career development. The funds requested in FY2007 continues to reflect a commitment by the USCIS to engage industry experts in the design, development and improvement of critical programs and technologies needed to effectively enhance the delivery of USCIS services by providing accurate and useful information to the public while al

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$385,875	$397,390	$438,759	$41,369

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase for recurring contracts that were previously funded from the discretionary backlog elimination funds. The FY 2007 funding requested will also be used to finance contract services such as the mail handling, file creation, fee deposit and data entry of applications and petition informaton into USCIS national IT systems received within the USCIS Service Centers; operations and maintenance services on core USCIS IT systems; field office equipment maintenance contracts; contract staff to operate the card production sytems used to produce green crads and work authorization documents; and contract staff taking fingerprints at Application Support Centers located throughout the United States. The USCIS relies heavily on the support of personnel and services obtained via contract actions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$50,792	$49,830	$59,507	$9,677

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes funding to support various Economy Act contractual purchases being acquired inter agency agreements (IAA) with other federal agencies. The FY 2007 funding requested will also be used to reimburse the Administrative Office of the United States Courts for expenses incurred by federal judges in administering the Oath of Allegiance to immigrants at USCIS Naturalization Ceremonies.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	$1,153	$1,158	$1,449	$291

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 funding requested will be used to obtain property maintenance services for USCIS leased buildings.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	$5,081	$4,310	$4,310	$0

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 funding requested will be used to finance contract expenses associated with the operation, maintenance and repair of USCIS office equipment.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$21,847	$52,418	$52,418	$0

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 funding requested will be used to purchase offices supplies and materials required to support the day to day operations of he USCIS. Items falling under this object class definition include such common office items as pens, pencils, photo copier and printer paper, file folders etc.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$17,254	$30,615	$30,615	$0

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 funding requested will be used to finance office equipment lease agreements and associated service contracts. Items funded by this object class include fax machines, photo copiers, scanners and shredder devices.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	$1,434	($593)	$439	$1,032

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 budget request reflects anticipated costs of legal settlements.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Interest and Dividends	$5,000	$0	$0	$0

Interest and dividends includes all payments to creditors for the moneys loaned, deposited, overpaid, or otherwise made available and the distribution of earnings to owners of trust or other funds. The FY 2007 request has no change.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Refunds	$708,000	$0	$0	$0

Refunds include refunds of fines, immigration and naturalization fees, maintenance bills, penalties, forfeitures, taxes, duties, and premiums; returns of deposits in retirement and disability funds; and other refunds on account of adjustments. The FY 2007 request has no change.

H. PPA Budget Justifications (Cont'd)

Department of Homeland Security
U.S. Citizenship and Immigration Services

IMMIGRATION EXAMINATIONS FEE ACCOUNT
INFORMATION & CUSTOMER SERVICES

Funding Schedule
(Dollars in Thousands)

	PPA: Information & Customer Services	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$39,769	$53,245	$58,140	$4,895
11.3	Other than perm	7,166	8,619	5,484	(3,135)
11.5	Other per comp	7,387	3,151	2,774	(377)
12.1	Benefits	14,155	14,739	14,380	(359)
13.0	Benefits-former	---	246	222	(24)
21.0	Travel	910	1,159	1,159	---
22.0	Transportation of things	39	69	69	---
23.1	GSA rent	5	8,144	8,144	---
23.2	Other rent	---	132	132	---
23.3	Communication, Utilities, and misc charges	1,134	1,589	1,589	---
24.0	Printing	78	265	265	---
25.1	Advisory & Assistance Services	85	5,628	6,237	609
25.2	Other Services	52,374	30,651	33,124	2,473
25.3	Purchase from Govt. Accts.	411	1,670	4,812	3,142
25.4	Operation & maintenance of facilities	---	132	132	---
25.7	Operation & maintenance of equipment	117	121	121	---
26.0	Supplies & materials	1,032	5,282	3,344	(1,938)
31.0	Equipment	1,496	5,496	3,210	(2,286)
41.0	Grants/Subsidies/Contributions	---	662	662	---
	Total, Examinations Fees	**$126,158**	**$141,000**	**$144,000**	**$3,000**
Full Time Equivalents		926	1,790	1,790	---

PPA Mission Statement

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals: (1) Ensure the security and integrity of the immigration system, (2) Provide efficient and customer-oriented immigration benefit and information services (3) Increase understanding of citizenship and its privileges and responsibilities, (4) Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade, (5) Strengthen the infrastructure necessary to achieve USCIS' mission, and (6) Operate as a high-performance organization and position USCIS as an employer of choice.

The USCIS is a component of the Department of Homeland Security (DHS) that facilitates legal immigration for people seeking to enter, reside, or work in the United States. USCIS possesses the authority to grant or deny immigration benefits – approving over 6 million immigration benefit applications each year. These immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is a fee-based business – therefore, its business operations and associated budget varies from year to year depending upon the number of immigration benefit applications received.

The funds from the Immigration Examinations Fee Account (IEFA), Information and Customer Services Program, are used to provide timely, consistent, and accurate information to its customers that will reduce the frequency of repeated, redundant applicant contact with USCIS employees, thus improving agency efficiency. Through multiple channels of available assistance, including the USCIS website, toll-free call center (National Customer Service Call Center), and face-to-face appointments; USCIS will make it easier for our customers to get the information they need, when they need it.

H. PPA Budget Justifications (Cont'd)

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$68,477	$80,000	$81,000	$1,000

Salaries and Benefits includes costs for 1,790 FTEs. The FY 2007 estimate includes an increase for cost-of-living adjustments, and a decrease related to term staff for backlog elimination efforts funded out of the Immigration Examinations Fee Account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$910	$1,159	$1,159	$0

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the travel and temporary duty costs of USCIS employees engaged in the day to day operations of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$39	$69	$69	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the transportation of furniture and other household goods associated with the rotation of overseas employees and the permanent change of station or relocation of domestically based USCIS federal employees.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$5	$8,144	$8,144	$0

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be use to finance anticipated rent costs associated with USCIS operations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$0	$132	$132	$0

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the costs of non-GSA rental expenses associated with building space acquired for temporary staging and handling of benefit application and petitions received.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$1,134	$1,589	$1,589	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance local and long distance federal telephone system (FTS) lines, guard services, janitorial and other cleaning and property maintenance services acquire to support the operation of the USCIS.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$78**	**$265**	**$265**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the costs of printing application and petition forms as well as other USCIS business materials.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$85**	**$5,628**	**$6,237**	**$609**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance advisory and assistance services obtained through competitive contract actions. Advisory and assistance services are being used by USCIS to support Information Technology and other related modernization initiatives. Advisory and assistance services are also obtained as needed to support the USCIS bi-annual fee study review, to assist with the planning and creation of a new refugee corps as well as to support improvements in the areas of facilities planning, financial systems design and employee training and career development. The increase over FY 2006 reflects a commitment by the USCIS to engage industry experts in the design, development and improvement of critical programs and technologies needed to effectively enhance the delivery of USCIS services by providing accurate and useful information to the public whil

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$52,374**	**$30,651**	**$33,124**	**$2,473**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase for cost-of-living adjustments, plus recurring contracts that were previously funded from the discretionary backlog elimination funds. The FY 2007 funding requested will be used to finance contract services such as the mail handling, file creation, fee deposit and data entry of applications and petition informaton into USCIS national IT systems received within the USCIS Service Centers; operations and maintenance services on core USCIS IT systems; field office equipment maintenance contracts; contract staff to operate the card production sytems used to produce green crads and work authorization documents; and contract staff taking fingerprints at Application Support Centers located throughout the United States. The USCIS relies heavily on the support of personnel and services obtained via contract actions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$411**	**$1,670**	**$4,812**	**$3,142**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase for cost-of-living adjustments.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$132**	**$132**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to obtain property maintenance services for USCIS leased buildings.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of equipment	**$117**	**$121**	**$121**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the costs associated with the operation and maintenance of USCIS vehicles and their day-to-day storage.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,032**	**$5,282**	**$3,344**	**($1,938)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to purchase offices supplies and materials required to support the day to day operations of he USCIS. Items falling under this object class definition include such common office items as pens, pencils, photo copier and printer paper, file folders etc.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,496**	**$5,496**	**$3,210**	**($2,286)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance office equipment lease agreements and associated service contracts. Items funded by this object class include fax machines, photo copiers, scanners and shredder devices.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$0**	**$662**	**$662**	**$0**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to reimburse State Court judges as reimbursement for their expenses in administering the oath of allegiance.

H. PPA Budget Justifications (Cont'd)

Department of Homeland Security
U.S. Citizenship and Immigration Services
IMMIGRATION EXAMINATIONS FEE ACCOUNT
ADMINISTRATION
Funding Schedule
(Dollars in Thousands)

PPA: Administration		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	---	$21,743	$29,759	$8,016
11.3	Other than perm	25,017	20,019	4,848	(15,171)
11.5	Other per comp	798	---	1,939	1,939
12.1	Benefits	6,026	2,238	8,453	6,215
13.0	Benefits-former	756	---	---	---
21.0	Travel	1,753	3,847	3,847	---
22.0	Transportation of things	114	---	---	---
23.1	GSA rent	44,681	47,032	55,832	8,800
23.2	Other rent	---	443	443	---
23.3	Communication, Utilities, and misc charges	18,173	7,012	7,012	---
24.0	Printing	85	1,631	1,631	---
25.1	Advisory & Assistance Services	15,117	2,177	2,177	---
25.2	Other Services	64,685	89,889	84,089	(5,800)
25.3	Purchase from Govt. Accts.	31,480	31,500	31,500	---
25.4	Operation & maintenance of facilities	---	710	710	---
25.7	Operation & maintenance of equipment	1,714	1,569	1,569	---
26.0	Supplies & materials	1,982	3,300	3,300	---
31.0	Equipment	3,297	3,890	3,890	---
42.0	Indemnity	65	---	---	---
Total, Examinations Fees		**$215,743**	**$237,000**	**$241,000**	**$4,000**
Full Time Equivalents		337	532	532	---

PPA Mission Statement

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals: (1) Ensure the security and integrity of the immigration system, (2) Provide efficient and customer-oriented immigration benefit and information services (3) Increase understanding of citizenship and its privileges and responsibilities, (4) Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade, (5) Strengthen the infrastructure necessary to achieve USCIS' mission, and (6) Operate as a high-performance organization and position USCIS as an employer of choice.

The USCIS is a component of the Department of Homeland Security (DHS) that facilitates legal immigration for people seeking to enter, reside, or work in the United States. USCIS possesses the authority to grant or deny immigration benefits – approving over 6 million immigration benefit applications each year. These immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is a fee-based business – therefore, its business operations and associated budget varies from year to year depending upon the number of immigration benefit applications received.

The funds from the Immigration Examinations Fee Account (IEFA), Administration Program, fund USCIS Headquarters operations to support and guide USCIS offices around the world. These offices include Administration, Budget, Financial Management, Chief Counsel, Citizenship, Communications, Congressional Relations, Policy and Strategy, Training and Career Development, and Security and Investigations.

H. PPA Budget Justifications (Cont'd)

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$32,597	$44,000	$45,000	$1,000

Salaries and Benefits includes costs for 532 FTEs. The FY 2007 estimate includes an increase for cost-of-living adjustments, and a decrease related to term staff for backlog elimination efforts funded out of the Immigration Examinations Fee Account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$1,753	$3,847	$3,847	$0

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the travel and temporary duty costs of USCIS employees engaged in the day to day operations of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$114	$0	$0	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the transportation of furniture and other household goods associated with the rotation of overseas employees and the permanent change of station or relocation of domestically based USCIS federal employees.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$44,681	$47,032	$55,832	$8,800

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be use to finance anticipated rent costs associated with USCIS operations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	$0	$443	$443	$0

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the costs of non-GSA rental expenses associated with building space acquired for temporary staging and handling of benefit application and petitions received.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$18,173	$7,012	$7,012	$0

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance local and long distance federal telephone system (FTS) lines, guard services, janitorial and other cleaning and property maintenance services acquire to support the operation of the USCIS.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	$85	$1,631	$1,631	$0

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2006 funding requested will be used to finance the costs of printing application and petition forms as well as other USCIS business materials.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$15,117	$2,177	$2,177	$0

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance advisory and assistance services obtained through competitive contract actions. Advisory and assistance services are being used by USCIS to support Information Technology and other related modernization initiatives. Advisory and assistance services are also obtained as needed to support the USCIS bi-annual fee study review, to assist with the planning and creation of a new refugee corps as well as to support improvements in the areas of facilities planning, financial systems design and employee training and career development.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$64,685	$89,889	$84,089	($5,800)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase for cost-of-living adjustments, plus recurring contracts that were previously funded from the discretionary backlog elimination funds. The FY 2007 funding requested will be used to finance contract services such as the mail handling, file creation, fee deposit and data entry of applications and petition informaton into USCIS national IT systems received within the USCIS Service Centers; operations and maintenance services on core USCIS IT systems; field office equipment maintenance contracts; contract staff to operate the card production sytems used to produce green crads and work authorization documents; and contract staff taking fingerprints at Application Support Centers located throughout the United States. The USCIS relies heavily on the support of personnel and services obtained via contract actions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$31,480	$31,500	$31,500	$0

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase for cost-of-living adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	$0	$710	$710	$0

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to obtain property maintenance services for USCIS leased buildings.

H. PPA Budget Justifications (Cont'd)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$1,714**	**$1,569**	**$1,569**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance the costs associated with the operation and maintenance of USCIS vehicles and their day-to-day storage.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,982**	**$3,300**	**$3,300**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to purchase offices supplies and materials required to support the day to day operations of he USCIS. Items falling under this object class definition include such common office items as pens, pencils, photo copier and printer paper, file folders etc.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$3,297**	**$3,890**	**$3,890**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase for cost-of-living adjustments. The FY 2007 funding requested will be used to finance office equipment lease agreements and associated service contracts. Items funded by this object class include fax machines, photo copiers, scanners and shredder devices.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$65**	**$0**	**$0**	**$0**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 budget request reflects cost-of-living adjustments.

I. Schedule of Working Capital Fund

Department of Homeland Security
U.S. Citizenship and Immigration Services
Immigration Examinations Fee Account

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Administration / Operating Expenses	$8,260	$46,556	$44,646	($1,910)
Total Working Capital Fund	**$8,260**	**$46,556**	**$44,646**	**($1,910)**

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Department of Homeland Security

U.S. Citizenship & Immigration Services

H1-B Nonimmigrant Petitioner Account

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CITIZENSHIP & IMMIGRATION SERVICES
H-1B Nonimmigrant Petitioner Account

I. Appropriation Overview

A. Mission Statement for H1-B Nonimmigrant Petitioner Account: The FY 2005 USCIS budget provided $13 million from the H1-B Nonimmigrant Petitioner Account. These funds are the result of the H1-B Visa Reform Act of 2004, which requires employers who participate in the H1-B program to pay an additional $1,500 ($750 for those petitioners who employ less than 25 full-time equivalent employees), in addition to the base-processing fee of $190 to file a Petition for a Nonimmigrant Worker (Form I-129). USCIS receives 5% of these funds, as well as the entire base-processing fee. These funds comprise approximately 1% of the total USCIS budget. The FY 2005 funding authorized was used to support Service Center contract activities and facility rent expenses related to the processing of immigration benefit applications.

In FY 2006, USCIS will use the funds provided from the H-1B Nonimmigrant Petitioner Fee Account to support Service Center contract activities and facility rent expenses that support the processing of immigration benefit applications.

In FY 2007, USCIS will again use the funds provided from the H-1B Nonimmigrant Petitioner Fee Account to support Service Center contract activities and facility rent expenses that support the processing of immigration benefit applications.

B. Budget Activities:

Adjudication Services - USCIS Service Centers are responsible for the timely and quality processing of:

- *Family-based petitions* - facilitating the process for close relatives to immigrate, gain permanent residency, work, etc.; and
- *Employment-based petitions* - facilitating the process for current and prospective employees to immigrate or stay in the U.S. temporarily

On average, on an annual basis, USCIS processes over 5 million immigration benefit applications at its Service Centers.

C. Budget Request Summary:

The USCIS requests $13 million for the FY 2007 President's Request. These funds will support the processing of over 6 million immigration benefit applications; maintaining backlog goals achieved at the end of FY 2006, and ensuring the security and integrity of the immigration system.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

DEPARTMENT OF HOMELAND SECURITY
U.S. CITIZENSHIP & IMMIGRATION SERVICES (USCIS)
SUMMARY OF FY 2007 BUDGET ESTIMATES BY APPROPRIATION AND PPA
H1-B NONIMMIGRANT PETITIONER ACCOUNT
(Dollars in Thousands)

BUDGET ACTIVITY	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 President's Budget		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adjudication Services												
Service Center Operating Expenses	-	$ 10,700	-	$ 13,000	-	$ 13,000	-	$ -	-	$ -	-	$ -
Total	-	$ 10,700	-	$ 13,000	-	$ 13,000	-	$ -	-	$ -	-	$ -

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Citizenship and Immigration Services
H1-B Nonimmigrant Petitioner Account
Program Performance Justification
(Dollars in thousands)

PPA: ADJUDICATION SERVICES

	Perm. Pos.	FTE	Amount
2005 Actual	**0**	**0**	**$10,700**
2006 Revised Enacted	**0**	**0**	**$13,000**
2007 Adjustments-to-Base	0	0	$0
2007 Current Services	**0**	**0**	**$13,000**
2007 Program Change	0	0	$0
2007 Request	**0**	**0**	**$13,000**
Total Change 2006-2007	**0**	**0**	**$0**

USCIS requests $13 million for contract activities and facility rent expenses that support the processing of immigration benefit applications. The requested amount is set by Congressional statute providing USCIS with 5% of the fees collected for the H1-B visas (Nonimmigrant Petitioner). The fee revenues are used to support contract activities (mail, file, and data entry) and facility rent expenses related to the processing of immigration benefit applications at USCIS service centers.

CURRENT SERVICES PROGRAM DESCRIPTION:

USCIS Service Centers are responsible for the timely and quality processing of:

- *Family-based petitions* - facilitating the process for close relatives to immigrate, gain permanent residency, work, etc.; and
- *Employment-based petitions* - facilitating the process for current and prospective employees to immigrate or stay in the U.S. temporarily

On average, on an annual basis, USCIS processes over 5 million immigration benefit applications at its Service Centers.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Citizenship & Immigration Services

H1-B Nonimmigrant Petitioner Fee Account

FY 2006 to FY 2007 Budget Change

(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	$ 10,700
2006 Revised Enacted	-	-	$ 13,000
2007 Current Services	-	-	$ 13,000
2007 Request	-	-	$ 13,000
2006 to 2007 Total Change	-	-	$ -

C. Summary of Requirements

Department of Homeland Security
U.S. Citizenship & Immigration Services
H1-B Nonimmigrant Petitioner Account
Summary of Requirements
(Dollars in Thousands)

	Perm. Pos.	FTE	Amount
2005 Actual	-	-	$ 10,700
2006 Revised Enacted	-	-	$ 13,000
2007 Current Services	-	-	$ 13,000
2007 Total Request	-	-	$ 13,000
2006 to 2007 Total Change	-	-	$ -

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-To-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1. Adjudication Services - Service Center Operating Expenses	-	-	$ 13,000	-	-	$ -	-	-	$ -	-	-	$ 13,000	-	-	$ -
Total	-	-	$ 13,000	-	-	$ -	-	-	$ -	-	-	$ 13,000	-	-	$ -

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D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Citizenship & Immigration Services
H-1B Nonimmigrant Petitioner Account
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Object Classes:				
23.1 GSA rent	9,700	7,000	7,000	---
25.2 Other Services	1,000	6,000	6,000	---
Total, Other Object Classes	**$10,700**	**$13,000**	**$13,000**	---
Total, Direct Obligations	**$10,700**	**$13,000**	**$13,000**	---
Unobligated balance, start of year	---	(2,300)	(2,300)	---
Unobligated balance, end of year	2,300	2,300	2,300	---
Recoveries of prior year obligations	---	---	---	---
Total requirements	**$13,000**	**$13,000**	**$13,000**	---

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Citizenship and Immigration Services

H-1B NONIMMIGRANT PETITIONER ACCOUNT
ADJUDICATION SERVICES

Funding Schedule
(Dollars in Thousands)

PPA: H-1B Nonimmigrant Petitioner Account	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:				
23.1 GSA rent	9,700	7,000	7,000	---
25.2 Other Services	1,000	6,000	6,000	---
Total, H-1B Nonimmigrant Petitioner Account	**$10,700**	**$13,000**	**$13,000**	---
Full Time Equivalents	---	---	---	---

PPA Mission Statement

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals: (1) Ensure the security and integrity of the immigration system, (2) Provide efficient and customer-oriented immigration benefit and information services (3) Increase understanding of citizenship and its privileges and responsibilities, (4) Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade, (5) Strengthen the infrastructure necessary to achieve USCIS' mission, and (6) Operate as a high-performance organization and position USCIS as an employer of choice.

The USCIS is a component of the Department of Homeland Security (DHS) that facilitates legal immigration for people seeking to enter, reside, or work in the United States. USCIS possesses the authority to grant or deny immigration benefits – approving 6 million immigration benefit applications each year. These immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is a fee-based business – therefore, its business operations and associated budget varies from year to year depending upon the number of immigration benefit applications received.

The funds from the H1-B Nonimmigrant Petitioner Account, comprising 1% of the total USCIS budget request, are specifically targeted to contracting activities and facility rent expenses related to processing immigration benefit applications. These funds are the result of the H1-B Visa Reform Act of 2004, which requires employers who participate in the H1-B program to pay an additional $1,500 ($750 for those petitioners who employ less than 25 full-time equivalent employees), in addition to the base processing fee of $190 to file a Petition for a Nonimmigrant Worker (Form I-129). USCIS receives 5% of these funds, as well as the entire base processing fee. The FY 2007 requested amount will help allow USCIS to process over 6 million applications; maintaining backlog elimination goals.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$9,700**	**$7,000**	**$7,000**	**$0**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request has no change.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,000**	**$6,000**	**$6,000**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request has no change. FY 2007 funding requested will be used to finance field office contract clerical staff supporting the adjudication process as well as program management support required for the continued development of e-filing capabilities.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

U.S. Citizenship & Immigration Services

Fraud Prevention and Detection Account

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

U.S. CITIZENSHIP & IMMIGRATION SERVICES
Fraud Prevention and Detection Account

I. Appropriation Overview

A. Mission Statement for Fraud Prevention and Detection Account: The FY 2005 USCIS budget provided $31 million from the Fraud Prevention and Detection Account. The funding received from this account was used specifically for activities related to preventing and detecting fraud of immigration benefit applications as stipulated in the L-1 Visa Reform Act of 2004, and later amended by Public Law 109-13, Section 403. This law requires petitioners who are seeking a beneficiary's initial grant of H1-B, H2-B, or L nonimmigrant classification or those petitioners seeking to change a beneficiary's employer within those classifications to pay $500, and those seeking H2-B benefits to pay $150, in addition to the base-processing fee of $190 to file a Petition for a Nonimmigrant Worker (Form I-129). USCIS receives one-third of these funds, as well as the entire base-processing fee. These funds comprise approximately 2% of the total USCIS budget.

In FY 2005, USCIS used the funds received from the Fraud Prevention and Detection Account to expand its Fraud Detection and National Security (FDNS) Office by providing 160 additional FDNS staff positions (funded for one-half year as 80 FTEs) primarily in support of the USCIS priority to ensure the security and integrity of the immigration system. More specifically, the resources were used to augment the current anti-fraud efforts within USCIS by dedicating more staff and contractor support to conducting system checks that identified known (previously proven) fraud conspirators and their association with future filings. FDNS developed a proactive anti-fraud program that bounces key fraud indicators from past (proven) conspiracies against all incoming applications and petitions. FDNS refers matches (suspected fraud) to field FDNS immigration officers and/or ICE special agents for criminal investigations or administrative inquiry. In addition, 70 field Adjudication Officer positions (funded for one-half year as 35 FTEs) were hired in recognition that benefit fraud is often initially detected and uncovered during the interview process.

In FY 2006, USCIS will continue using the funding received from the Fraud Prevention and Detection Account to support its security related initiatives to include full-year continued funding for 160 FDNS positions (160 FTEs) and 70 field adjudication officer positions (70 FTEs). Additionally, contractor assistance to the FDNS will be funded to support the program's ongoing efforts to develop a comprehensive and collaborative approach for detecting, prosecuting, and deterring immigration-related fraud.

In FY 2007, USCIS will continue using the funding received from the Fraud Prevention and Detection Account to support its security related initiatives to include funding for 160 FDNS positions (160 FTEs) and 70 field adjudication officer positions (70 FTEs). Additionally, contractor assistance to the FDNS will be funded to support the program's ongoing efforts to develop a comprehensive and collaborative approach for detecting, prosecuting, and deterring immigration-related fraud.

B. Budget Activities:

Adjudication Services - FDNS was created to enhance the security and integrity of the immigration system, while simultaneously continuing to administer immigration benefits. FDNS plays a major role in accomplishing the USCIS mission of providing the right benefit to the right person at the right time, and no benefit to the wrong person. It does this by:

- Detecting and combating immigration benefit fraud
- Conducting and overseeing law enforcement (background) checks on persons seeking immigration benefits
- Performing as USCIS' primary conduit to/from the law enforcement and intelligence communities
- Identifying vulnerabilities and other weaknesses that compromise the integrity of the legal immigration system

C. Budget Request Summary:

USCIS requests $31 million for this activity. These resources are necessary to ensure the security and integrity of the immigration system by preventing and detecting immigration benefit fraud. The requested amount is set by congressional statute providing USCIS with one-third of the fees collected for the H1-B, H2-B, & L visas and applied to fraud prevention and detection activities.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

DEPARTMENT OF HOMELAND SECURITY
U.S. CITIZENSHIP & IMMIGRATION SERVICES (USCIS)
SUMMARY OF FY 2007 BUDGET ESTIMATES BY APPROPRIATION AND PPA
FRAUD PREVENTION AND DETECTION ACCOUNT
(Dollars in Thousands)

BUDGET ACTIVITY	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 President's Budget		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Adjudication Services												
Pay & Benefits	115	$ 14,175	230	$ 19,000	230	$ 23,000	-	$ 4,000	-	$ -	-	$ 4,000
District Operating Expenses	-	$ 9,000	-	$ 9,000	-	$ 6,000	-	$ (3,000)	-	$ -	-	$ (3,000)
Service Center Operating Expenses	-	$ 3,000	-	$ 3,000	-	$ 2,000	-	$ (1,000)	-	$ -	-	$ (1,000)
Total	115	$ 26,175	230	$ 31,000	230	$ 31,000	-	$ -	-	$ -	-	$ -

Note: The FY 2007 Adjudication Services PPA estimates reflect an increase in Pay & Benefits from Operating Expenses to account for underestimated payroll costs. Payroll for this new program were initially underestimated. Original cost estimates had these employees at the same cost as adjudication officers (career ladder to GS-12). Due to specialized skills, fraud officers career ladder to GS-13.

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Citizenship and Immigration Services
Fraud Prevention and Detection Account
Program Performance Justification
(Dollars in thousands)

PPA: ADJUDICATION SERVICES

	Perm. Pos.	FTE	Amount
2005 Actual	**154**	**115**	**$26,175**
2006 Revised Enacted	**230**	**230**	**$31,000**
2007 Adjustments-to-Base	0	0	$0
2007 Current Services	**230**	**230**	**$31,000**
2007 Program Change	0	0	$0
2007 Request	**230**	**230**	**$31,000**
Total Change 2006-2007	**0**	**0**	**$0**

USCIS requests $31 million for this activity. These resources are necessary to ensure the security and integrity of the immigration system by preventing and detecting immigration benefit fraud. The requested amount is set by Congressional statute providing USCIS with one-third of the fees collected for the H1-B, H2-B, & L visas and applied to fraud prevention and detection activities.

CURRENT SERVICES PROGRAM DESCRIPTION:

FDNS was created to enhance the security and integrity of the immigration system, while simultaneously continuing to administer immigration benefits. FDNS plays a major role in accomplishing the USCIS mission of providing the right benefit to the right person at the right time, and no benefit to the wrong person. It does this by:

- Detecting and combating immigration benefit fraud
- Conducting and overseeing law enforcement (background) checks on persons seeking immigration benefits
- Performing as USCIS' primary conduit to/from the law enforcement and intelligence communities
- Identifying vulnerabilities and other weaknesses that compromise the integrity of the legal immigration system

The establishment of FDNS was supported by the findings and recommendations in GAO Report 02-66, "Immigration Benefit Fraud: Focused Approach is Needed to Address Problems" issued in January 2002. The report concluded that the U.S. legal immigration system is being used to further illegal activities and/or activities that threaten national security and public safety. GAO also concluded that legacy INS did not have an anti-benefit fraud strategy, had not designated it as a priority initiative, and did not have a mechanism to collect and report data to identify the volume and types of benefit fraud that exist.

Thus, FDNS, in partnership with U.S. Immigration and Customs Enforcement, Office of Investigations (ICE), has dual missions: detecting and combating fraud, and identifying threats to the national security and public safety posed by those seeking immigration benefits. This is an appropriate combination of responsibility because while the connection between immigration fraud and national security is palpable, the line that divides them is not always as clean. An analysis of the immigration history of the 9/11 terrorists reveals that all of them committed some form of immigration fraud. It is not, therefore, unreasonable to assume that those that threaten the national security of the U.S. today may also seek to evade our immigration laws through fraud.

FDNS was also tasked with directing, overseeing, and improving the completion of background checks on the millions of visa applicants, beneficiaries, and petitioners each year. As with the fraud detection mission, this task requires a delicate balance between facilitation and diligence. Over the past year, FDNS has conducted a comprehensive review of the background check process, and made a number of changes that enhance quality and processing times associated with background checks. It has placed priority emphasis on the resolution of national security hits, as well as developed a criminal alien referral policy and procedure jointly with its ICE counterparts. Since October 2004, over 1,500 criminal alien leads have been referred to ICE Investigations, and thousands of suspected absconders with Removal Orders have been reported to ICE Deportation and Removal Operations.

Because the majority of immigration benefit fraud begins with the filing of an application or petition with USCIS, it is essential to identify suspect cases as early in the process as possible, ideally before the application or petition reaches an adjudicator for decision making, and, most certainly, before an applicant or beneficiary is accorded a benefit that will enable him or her to enter or stay in the U.S. For these reasons, it is essential that USCIS develop the capacity to detect possible fraud, and work closely with ICE.

Towards this end, USCIS and ICE have developed and implemented a joint anti-fraud strategy that relies upon USCIS to detect the suspected fraud, and refer the fraud to ICE for possible criminal investigation and prosecution. The necessary structure, resources, policies, procedures, and other organizational crosswalks are now in place to support this strategy.

To enhance the capability to manage this anti-fraud and background check operation, USCIS recently developed and is in the process of implementing a new Fraud Tracking System (FTS). This system will enable FDNS to fully leverage technology in the combating of immigration fraud as well as provide a means by which law enforcement and intelligence entities (with a need to know) can access information to support operations that enhance national security. This unprecedented effort will position USCIS/FDNS to quantify and qualify the types of benefit fraud that exist, as well as identify patterns and other vulnerabilities that threaten the integrity of our immigration system. A future interface with the USCIS Central Oracle Repository (CISCOR) will allow real time, retrieval and analysis of data relating to the six million applications and petitions received by USCIS yearly.

FDNS is also responsible for reviewing operational malfunctions and systemic deficiencies, and proposing corrective action. This role includes reviewing proposed rules and regulations within USCIS. As part of the overall joint strategy and in partnership with ICE, both agencies identify vulnerabilities in the benefit fraud system and work together to eliminate the potential for exploitation of those vulnerabilities and prosecute the violators. Information on trends in fraud and criminal methodologies are shared among CIS and ICE to identify and prevent potential abuse of the system.

FDNS is USCIS' primary point of contact with, and conduit to/from, the law enforcement and intelligence communities. This includes participation in a variety of Departmental and Government-wide information sharing initiatives. As subject matter experts in immigration benefit-related laws, regulations, policies, procedures, and operational matters, and custodians of more than 100 million electronic and hard copy immigration records, USCIS (via FDNS) is now assigning officers to the Department's Homeland Security Operations Center (HSOC) and the Terrorist Screening Center (TSC). It is in the process of hiring additional personnel for assignments at DHS' Office of Information Analysis, the Department of State's (DOS) Fraud Prevention Program, and possibly other locations. FDNS is also USCIS' lead on systems-related access and information exchanges with other agencies, such as the DOS.

The FDNS Unit of USCIS has, in a very short time, created a program that addresses fraud prevention, national security and public safety in a systematic integrated way. Since October 1, 2004, USCIS calculates that in addition to the 1,500 criminal alien referrals made to ICE, FDNS Officers have also referred 1,528 benefit-fraud and 125[1] national security-related referrals to ICE for investigation. FDNS has developed standard operating procedures that take suspect cases out of the pending stream of USCIS cases, thereby facilitating the timely adjudication of cases of merit. FDNS has forged strong bonds with other DHS components as well as outside enforcement entities.

1 This figure represents total referrals as calculated by USCIS. ICE utilizes a different system to track the number of referrals received by USCIS.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Citizenship & Immigration Services

Fraud Prevention and Detection Account

FY 2006 to FY 2007 Budget Change

(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	154	115	$ 26,175
2006 Revised Enacted	230	230	$ 31,000
2007 Current Services	230	230	$ 31,000
2007 Request	230	230	$ 31,000
2006 to 2007 Total Change	-	-	$ -

C. Summary of Requirements

Department of Homeland Security
U.S. Citizenship & Immigration Services
Fraud Prevention and Detection Account
Summary of Requirements
(Dollars in Thousands)

	Perm. Pos.	FTE	Amount
2005 Actual	**154**	**115**	**$ 26,175**
2006 Revised Enacted	**230**	**230**	**$ 31,000**
2007 Current Services	**230**	**230**	**$ 31,000**
2007 Total Request	**230**	**230**	**$ 31,000**
2006 to 2007 Total Change	-	-	$ -

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-To-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1. Adjudication Services - Pay & Benefits	230	230	$ 19,000	-	-	$ -	-	-	$ -	230	230	$ 23,000	-	-	$ 4,000
2. Adjudication Services - District Operating Expenses	-	-	$ 9,000	-	-	$ -	-	-	$ -	-	-	$ 6,000	-	-	$ (3,000)
3. Adjudication Services - Service Center Operating Expenses	-	-	$ 3,000	-	-	$ -	-	-	$ -	-	-	$ 2,000	-	-	$ (1,000)
Total	230	230	$ 31,000	-	-	$ -	-	-	$ -	230	230	$ 31,000	-	-	$ -

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D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U.S. Citizenship & Immigration Services
Fraud Prevention and Detection Account
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$10,894	$14,000	$17,000	$3,000
11.3 Other than full-time permanent	333	---	---	---
12.1 Benefits	2,948	5,000	6,000	1,000
Total, Personnel Comp. & Benefits	**$14,175**	**$19,000**	**$23,000**	**$4,000**
Other Object Classes:				
23.1 GSA rent	6,200	7,000	5,000	(2,000)
23.3 Communication, Utilities, and misc charges	3,000	1,000	1,000	---
25.2 Other Services	2,800	3,000	1,000	(2,000)
25.7 Operation & maintenance of equipment	---	1,000	1,000	---
Total, Other Object Classes	**$12,000**	**$12,000**	**$8,000**	**($4,000)**
Total, Direct Obligations	**$26,175**	**$31,000**	**$31,000**	**---**
Unobligated balance, start of year	---	(4,825)	(4,825)	---
Unobligated balance, end of year	4,825	4,825	4,825	---
Recoveries of prior year obligations	---	---	---	---
Total requirements	**$31,000**	**$31,000**	**$31,000**	**---**

F. Permanent Positions by Grade

Department of Homeland Security
U.S. Citizenship & Immigration Services
Fraud Prevention and Detection Account
Permanent Positions by Grade

Grades and Salary Ranges	FY 2005 Actual Pos.	FY 2006 Revised Enacted Pos.	FY 2007 Request Pos.	2006 to 2007 Change Total
Total, SES	-	- #	-	-
Total, EX	-	-	-	-
GS-15	2	2	2	-
GS-14	12	12	12	-
GS-13	90	110	110	-
GS-12	42	98	98	-
GS-11	4	4	4	-
GS-10	-	-	-	-
GS-09	3	3	3	-
GS-08	-	-	-	-
GS-07	1	1	1	-
GS-06	-	-	-	-
GS-05	-	-	-	-
GS-04	-	-	-	-
GS-03	-	-	-	-
GS-02	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions				
Total Permanent Positions	**154**	**230**	**230**	-
Unfilled Positions EOY	76	-	-	-
Total Perm. Employment EOY	154	230	230	-
FTE	**115**	**230**	**230**	-
Headquarters	39	39	39	-
U.S. Field	106 1/	182 1/	182 1/	-
Foreign Field	9 2/	9 2/	9 2/	-
Total Permanent Positions	**154**	**230**	**230**	-
Average ES Salary	$ -	$ -	$ -	$ -
Average GS Salary	$ 95,817	$ 98,787	$ 101,850	$ 3,062
Average GS Grade	12.5	12.4	12.4	-

1/ Includes permanent positions authorized for the Washington, DC District Office and the Norfolk, VA Suboffice
2/ Includes permanent positions authorized for the Arlington, VA Asylum Office.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U.S. Citizenship and Immigration Services

FRAUD PREVENTION AND DETECTION ACCOUNT
ADJUDICATION SERVICES

Funding Schedule
(Dollars in Thousands)

PPA: Fraud Prevention & Detection Account		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$10,894	$14,000	$17,000	$3,000
11.3	Other than perm	333	---	---	---
12.1	Benefits	2,948	5,000	6,000	1,000
23.1	GSA rent	6,200	7,000	5,000	(2,000)
23.3	Communication, Utilities, and misc charges	3,000	1,000	1,000	---
25.2	Other Services	2,800	3,000	1,000	(2,000)
25.7	Operation & maintenance of equipment	---	1,000	1,000	---
Total, Fraud Prevention & Detection		**$26,175**	**$31,000**	**$31,000**	---
Full Time Equivalents		115	230	230	---

PPA Mission Statement

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals: (1) Ensure the security and integrity of the immigration system, (2) Provide efficient and customer-oriented immigration benefit and information services (3) Increase understanding of citizenship and its privileges and responsibilities, (4) Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade, (5) Strengthen the infrastructure necessary to achieve USCIS' mission, and (6) Operate as a high-performance organization and position USCIS as an employer of choice.

The USCIS is a component of the Department of Homeland Security (DHS) that facilitates legal immigration for people seeking to enter, reside, or work in the United States. USCIS possesses the authority to grant or deny immigration benefits – approving over 6 million immigration benefit applications each year. These immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is a fee-based business – therefore, its business operations and associated budget varies from year to year depending upon the number of immigration benefit applications received.

The funds from the Fraud Prevention and Detection Account, comprising 2% of the total USCIS budget request, primarily supports the USCIS goal to ensure the security and integrity of the immigration system. These funds are specifically for activities related to preventing and detecting fraud of immigration benefit applications.

H. PPA Budget Justifications (Cont'd)

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$14,175	$19,000	$23,000	$4,000

Salaries and Benefits includes costs for 230 FTEs. The FY 2007 funding requested will be used to support 230 full-time permanent (FTP) USCIS employees engaged in the prevention and detection of benefit fraud. The FY 2007 Request has increased due to underestimated payroll cost estimates.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$6,200	$7,000	$5,000	($2,000)

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 funding requested will be use to finance anticipated rent costs associated with USCIS operations. The FY 2007 Request has decreased due to underestimated payroll cost estimates.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$3,000	$1,000	$1,000	$0

Communications, utilities, and miscellaneous costs include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request has no change. FY 2007 funds requested will finance cellular phones, federal telephone system (FTS) line costs, laptops and other essential communications equipment required by FDNS officers in the performance of assigned duties.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$2,800	$3,000	$1,000	($2,000)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. FY 2007 funding requested is needed to finance contract personnel to review and validate interagency border inspection system (IBIS) hits identified by USCIS adjudication staff during routine case processing activities. Contract staff will support FDNS staff by assisting in a more in depth review of positive hits generated from the adjudication units so as better identify cases needing greater scrutiny and possible law enforcement action. The FY 2007 Request has decreased due to underestimated payroll cost estimates.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	$0	$1,000	$1,000	$0

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request has no change. FY 2007 funding requested will be used to finance the operation and maintenance costs of FDNS electronic equipment and information technology systems.

I. Schedule of Working Capital Fund

Not applicable

Department of Homeland Security

U.S. Citizenship & Immigration Services

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

U.S. CITIZENSHIP & IMMIGRATION SERVICES (USCIS)

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A. Mission and Description

The U.S. Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to its customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has established six goals:

- Ensure the security and integrity of the immigration system,
- Provide efficient and customer-oriented immigration benefit and information services,
- Increase understanding of citizenship and its privileges and responsibilities,
- Ensure flexible and sound immigration policies and programs that meet the needs and obligations of the nation, including our international treaties on humanitarian protection and trade,
- Strengthen the infrastructure necessary to achieve USCIS' mission, and
- Operate as a high-performance organization and position USCIS as an employer of choice.

USCIS is responsible for granting or denying immigration benefits to people seeking to enter, reside, or work in the United States processing more than 6 million immigration benefit applications each year. Immigration benefits range from work authorization documents, to asylum and refugee applications, to petitions for immediate relatives to immigrate to the United States. USCIS is primarily a fee-based organization whose business operations and associated budget varies from year to year depending upon the demand for its services.

In Fiscal Year (FY) 2005, USCIS made significant progress toward fulfilling the President's goal of eliminating the backlog by the end of FY 2006. Production increased by 14.3% and the backlog decreased to 1 million immigration benefit applications from a high of 3.8 million in January 2004. USCIS also met and/or exceeded cycle time targets in 14 of 16 major form types. In addition, a total of 116,469 asylum cases were completed, representing a 7% increase in productivity from the previous fiscal year, when it completed 108,950. USCIS also worked steadily with its refugee program partners to successfully meet refugee admissions levels designated by the President while ensuring the integrity and security of the program. Officers conducted refugee status interviews in over 50 locations and interviewed more than 58,937 refugee applicants from over 60 countries. As a result of these efforts, 53,813 refugees were admitted to the United States during FY 2005, an increase of almost 1,000 over FY 2004.

B. Major Activities and Key Strategic Issues

Through a network of 250 local offices, Application Support Centers, Service Centers, Asylum offices, National Customer Service Call (NCSC) Centers, Forms Centers, and the Internet, USCIS works with applicants to collect, process, and grant a variety of benefits, such as:

- *Family-based petitions* - facilitating the process for close relatives to immigrate, gain permanent residency, work, etc.;
- *Employment-based petitions* - facilitating the process for current and prospective employees to immigrate or stay in the U.S. temporarily;
- *Asylum and Refugee processing* - adjudicating asylum applications and the processing of refugees; and
- *Naturalization* - processing applications of those who wish to become U.S. citizens.

USCIS works in coordination with other bureaus of DHS, and with agencies such as the Departments of Labor and State, and the Federal Bureau of Investigation (to conduct background checks).

On average, USCIS annually:

- Processes over 6 million applications
- Serves over 14 million customers via the National Customer Service Call Centers
- Serves approximately 5 million customers through information counters at local offices
- Processes close to 90,000 asylum cases
- Conducts approximately 70,000 refugee interviews, and
- Conducts the naturalization of approximately half a million new citizens.

USCIS recognizes that continuing to perform business as usual will not result in success, so it has launched a multi-year Business Transformation Program that represents philosophical and substantive changes from current processes. As part of the Second Stage Review initiated by Secretary Chertoff, the USCIS Transformation Program will transition the agency from one of out-dated IT systems operating in a forms-centric environment to a single web-based IT tool operating in a customer-centric environment driven by performance metrics.

To maintain backlog elimination goals in the face of ever changing demands for immigration benefits, new initiatives to modernize business practices and upgrade IT have been launched and are coordinated under the transformation effort. USCIS' goal is to transform the current paper-based data systems into a modern, world-class digital processing resource that will enhance customer service, better prevent future backlogs, and improve efficiency with expanded electronic filing and strengthened security. These new initiatives will also help meet customer expectations for on-demand information and real-time electronic service over the Internet.

USCIS will also play a major role in the Administration's Secure Border Initiative (SBI). The SBI is a comprehensive multi-year plan to secure America's borders and reduce illegal migration. Homeland Security Secretary Michael Chertoff has announced an overall vision for the SBI which includes, among other things, greatly increased interior enforcement of our immigration laws – including more robust worksite enforcement. USCIS' Employment Eligibility Verification (EEV)[1] program will play a major role in this initiative as it seeks to expand the system to electronically verify the eligibility of persons for employment in the United States.

C. Resources Requested and Performance Impact

The budget includes $1.9 billion for USCIS ($181.9 million discretionary; $1.8 billion mandatory), which is an increase of $98 million and 5 percent above the FY 2006 level. Included is a one-time discretionary program increase of $47 million for business transformation, funding of $134.9 million for the SAVE (Systematic Alien Verification for Entitlements) and EEV Programs, and $30 million in mandatory pay and non-pay adjustments from projected fee increases.

The request will modernize and overhaul business operations and the underlying IT that supports those operations to more efficiently and effectively meet its mission of administering the nation's immigration laws and providing the Department with the information required for enforcement

[1] Formerly titled the Basic Pilot Program.

purposes. The request also expands the SAVE program pursuant to new identification requirements of the Real ID Act, and expands the existing electronic system to verify the eligibility of persons for employment in the United States.

The investment in the Business Transformation Program will support modernization of USCIS processes and systems to improve sharing of immigration information, eliminate paper-based processing, and allow USCIS to more effectively respond to changing workload. Additionally, it will make it easier and faster for customers to electronically file immigration applications, get updates on the status of their applications, and, as appropriate, receive immigration benefits.

These requested resources are consistent with findings from the FY 2007 OMB Program Assessment Rating Tool (PART) review of Immigration Services. The review identified program management and results as areas for improvement, and noted the following:

- Modernize IT systems to better respond to fluctuating workload
- Reengineer business processes to modernize processes and systems to more efficiently adjudicate applications and effectively provide immigration benefits

USCIS is addressing both these recommendations through its Business Transformation Program.

The new business model will mark the inception of an account-based, customer-centric, processing system and the retirement of the traditional application-centric, or case-based processing system in use today. USCIS expects the Business Transformation Program will enhance security by:

- linking biometric and biographic information to better ensure identity verification;
- expanding biometric storage to enhance identification of potential security risks;
- developing more extensive and reliable systems interfaces to allow DHS Components and law enforcement to retrieve vital information about individuals; and
- ensuring through automation that background checks are completed as early in the process as possible.

The new business model will also enhance customer service as:

- the processing system will be easier for customers to navigate;
- delays associated with the movement of paper files will be drastically reduced;
- workload will be able to be shifted electronically as necessary to balance work nationwide, reducing application cycle times; and
- delivery of secure documents will be faster.

In addition, the case processing system will result in increased overall efficiency as duplicative efforts will be eliminated, interoperability of systems will be improved, and one-stop access to background and security check information will be available. Overall time spent on non-adjudicative activities such as inter-filing and file movement will also be reduced dramatically. The improvements resulting from this new business model will also better position USCIS to support the President's goal for a Temporary Worker Program workload

Immigration Security and Integrity

In FY 2005, USCIS utilized 753 FTEs and $290 million to operate a program of comprehensive quality assurance and security measures to ensure that benefits are granted only to eligible

individuals. For FY 2006, the estimate for this program is 868 FTEs and $292.5 million. This reflects an overall increase in 115 FTEs associated with the annualization of personnel dedicated to fraud prevention and detection activities per the L-1 Visa Reform Act of 2004.

The FY 2007 Budget estimate includes 868 FTEs and $295.5 million. This reflects an overall increase of $3 million for pay and non-pay adjustments from projected fee increases.

Adjudication Services

In FY 2005, USCIS utilized 7,471 FTEs and $1,340.5 million to support the processing of immigration and citizenship benefits. For FY 2006, the estimate is 7,511 FTEs and $1,448 million. This reflects a total increase of 40 FTEs to process non-employment based premium processing cases, and an increase in projected fee revenues due to the granting of Temporary Protected Status to certain designated countries.

The FY 2007 Budget estimate includes 7,061 FTEs and $1,405 million. This reflects an overall decrease of 450 FTEs and $44 million due to the completion of backlog elimination efforts begun in FY 2002 and associated temporary discretionary funding ($79.2 million), as well as a one-time appropriation for IT Transformation/Digitization efforts ($34.65 million). These decreases are offset by increases for the Business Transformation Program ($47 million) and pay and non-pay adjustments from projected fee increases ($24 million).

Information and Customer Services

In FY 2005, USCIS utilized 1,790 FTEs and $138 million to provide timely, consistent, and accurate information to our customers. For FY 2006, the estimate is 1,790 FTEs and $141 million. This reflects an overall increase for pay and non-pay adjustments from projected fee increases.

The FY 2007 Budget estimate is 2,155 FTEs and $279 million. This reflects an overall increase of $138 million due to a program increase of $134.99 million and 365 FTEs in discretionary funds for the SAVE and EEV Programs, and $3 million for pay and non-pay adjustments from projected fee increases.

Citizenship

In FY 2005, USCIS utilized 38 FTEs and $6.5 million to enhance educational resources and promote opportunities to support immigrants' integration and participation in American civic culture. For FY 2006, the estimate is 38 FTEs and $6.5 million.

The FY 2007 Budget estimate includes 38 FTEs and $6.5 million, the same as FY 2006.

D. How USCIS Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

The following list of USCIS programs with their performance goals are followed by the DHS strategic plan objectives they support.

Immigration Security and Integrity – Enhance the integrity of the legal immigration system, and identify persons who pose a threat to national security and/or public safety.

2.6 - Ensure the security and integrity of the immigration system.

Adjudication Services – Provide immigration benefit services in a timely, consistent, and accurate manner.

6.2 - Provide efficient and responsive immigration services that respect the dignity and value of individuals.

6.3 - Support the United States humanitarian commitment with flexible and sound immigration and refugee programs.

2.6 - Ensure the security and integrity of the immigration system.

Information and Customer Services – Provide timely, consistent, and accurate information to our customers.

6.2 - Provide efficient and responsive immigration services that respect the dignity and value of individuals.

Citizenship – Enhance educational resources and promote opportunities to support immigrants' integration and participation in American civic culture.

6.1 - Increase understanding of naturalization, and its privileges and responsibilities.

E. Performance Based Budget Highlights by Program

For each USCIS program, the performance goal, key measures, total budget and FTE are:

Performance Goal: Immigration Security and Integrity – Enhance the integrity of the legal immigration system.					
Measure: Conduct Benefit Fraud Assessment on X form types and report as percentage of fraudulent cases found.	Fiscal Year	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	Baseline	3	2
	Actual	N/A	33% (I-360), 1% (I-90)	TBD	TBD
Measure: Number of form types where procedural and/or legislative changes to counteract fraud are proposed as a result of Benefit Fraud Assessments	Target	N/A	Baseline	3	2
	Actual	N/A	N/A	TBD	TBD
Program: Immigration Security and Integrity	$ Thousands	$257,540	$290,186	$292,465	$295,408
Lead Organization: U.S. Citizenship and Immigration Services	FTE	638	753	868	868

Performance Goal: Adjudication Services – Provide immigration benefit services in a timely, consistent, and accurate manner.					
Measure: Actual cycle time to process form I - 485 (Application to Register for Permanent Residence or to Adjust Status).	Fiscal Year	FY 2004	FY 2005	FY 2006	FY 2007
	Target	20 Months	15 Months	6 Months	6 Months
	Actual	19.7 Months	13.9 Months	TBD	TBD
Measure: Electronic Filing for Applications	Target	50% of workload	50% of workload	65% of workload	75% of workload
	Actual	55%	55%	TBD	TBD
Measure: Percent of pending applications more than 6 months old (backlog as a percentage of pending)	Target	60%	43%	0%	0%
	Actual	32%	48%	TBD	TBD
Measure: Actual cycle time to process form I - 129 (Petition for Nonimmigrant Worker).	Target	2 Months	2 Months	2 Months	2 Months
	Actual	1.5 Months	1.5 Months	TBD	TBD
Measure: Actual cycle time to process form N - 400 (Application for Naturalization).	Target	14 Months	10 Months	6 Months	6 Months
	Actual	11.8 Months	10.9 Months	TBD	TBD
Measure: Number of refugee interviews conducted.	Target	Up to 90,000	Up to 90,000	Up to 90,000	Up to 90,000
	Actual	72,340	58,937	TBD	TBD
Measure: Percent of asylum reform referrals (at local offices) completed within 60 days of receipt.	Target	75%	75%	75%	75%
	Actual	71%	79%	TBD	TBD
Program: Adjudication Services	$ Thousands	$1,400,028	$1,340,286	$1,447,743	$1,404,821
Lead Organization: U.S. Citizenship and Immigration Services	FTE	7,471	7,471	7,511	7,061

Performance Goal: Information and Customer Services – Provide timely, consistent, and accurate information to our customers.					
Measure: Percent of customer inquiries handled through self-service means	Fiscal Year	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	80%	81%	82%
	Actual	N/A	78%	TBD	TBD
Measure: Customer satisfaction rate with USCIS phone centers	Fiscal Year	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	78%	79%	79%
	Actual	N/A	75.5%	TBD	TBD
Program: Information and Customer Services	$ Thousands	$135,000	$138,000	$141,000	$278,990
Lead Organization: U.S. Citizenship and Immigration Services	FTE	1,790	1,790	1,790	2,155

Performance Goal: Citizenship – Enhance educational resources and promote opportunities to support immigrants' integration and participation in American civic culture.					
Measure: Significant outreach per FTE.**	Fiscal Year	FY 2004	FY 2005	FY 2006	FY 2007
	Target	N/A	Baseline	96	96
	Actual	N/A	21	TBD	TBD
Program: Citizenship	$ Thousands	$6,432	$6,528	$6,642	$6,771
Lead Organization: U.S. Citizenship and Immigration Services	FTE	38	38	38	38

**Explanation of Measure: The number of significant outreach actions conducted each year divided by the number of Community Liaison Officer (CLO) FTEs will measure the average number of significant outreach actions per year per CLO. With this indicator, the Office will be able to track the progress of the efficiency of our program, and estimate how much more outreach we could accomplish with the addition of any new CLO FTE. Since the Office of Citizenship is

mandated to increase the understanding of citizenship, the Office must maintain a constant and continuous outreach agenda. The CLO's fulfill this mission by working in 19 locations across the country to establish and maintain relationships with community stakeholders in order to promote civic integration of immigrants. Their work includes conferences, ceremonies, meetings, presentations, and trainings.

F. Digest Tables by FYHSP Programs

U.S. Citizenship & Immigration Services (USCIS)
Digest of FY 2007 Budget Estimates by Activity and FYSHP Program
(Dollars in thousands)

BUDGET ACTIVITY	FY 2005 Actual		FY 2006 Enacted[1]		FY 2007 President's Budget		INCREASE (+) OR DECREASE (-) FOR FY 2007 Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Immigration Security & Integrity	567	$261,681	868	$292,500	868	$295,500	0	$3,000	0	$0	0	$3,000
Adjudication Services	6,892	$1,312,476	7,511	$1,447,850	7,061	$1,405,000	(450)	($42,850)	0	$47,000	(450)	($89,850)
Information & Customer Services	926	$126,158	1,790	$141,000	2,155	$278,990	365	$137,990	365	$134,990	0	$3,000
Citizenship	32	$6,056	38	$6,500	38	$6,500	0	$0	0	$0	0	$0
Total	8,417	$1,706,371	10,207	$1,887,850	10,122	$1,985,990	(85)	$98,140	365	$181,990	(450)	($83,850)

[1] FY 2006 Enacted reflects 1% across-the-board rescission pursuant to P.L. 109-148.

FY 2007 Note: The Adjudication Services Program reflects an increase in discretionary funds of $47 million for the Business Transformation Program, the Information and Customer Services Program reflects an increase in discretionary funds of $134.99 million for the operation and expansion of the SAVE (Systematic Alien Verification for Entitlements)/EEV (Employment Eligibility Verification) Program, and all programs reflect a $30 million mandatory increase for pay and non-pay adjustments from projected fee increases.
FY 2007 Note: An overall net decrease of $42.85 million in the Adjudication Services Program reflects reductions due to the successful completion of backlog elimination efforts begun in FY 2002 and the conclusion of associated temporary discretionary funding ($79.2 million) and a one-time appropriation for IT Transformation/Digitization efforts ($34.65 million). These decreases are offset by increases for the Business Transformation Program ($47 million) and pay and non-pay adjustments from projected fee increases ($24 million).
FY 2007 Note: FTE levels shown are higher than the Budget Appendix by a total of 168 FTE dedicated to the SAVE/Basic Pilot program. These were omitted in error. The requested FTE levels are based on a preliminary estimate of needs that may change as requirements are better defined.

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Department of Homeland Security

United States Secret Service

Fiscal Year 2007

Overview

Congressional Justification

25756A

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
United States Secret Service
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	6,428	$1,164,719	6,564	$1,199,827	6,613	$1,240,478	49	$40,651	16	$22,200	33	$18,451
Special Event Fund						20,900		20,900		20,900		
Acquisition, Construction, Improvements, and Related Expenses	---	2,835	---	3,662	---	3,725	---	63	---	---	---	63
DC Annuity	---	187,869	---	200,000	---	200,000	---	---	---	---	---	---
							---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	6,428	$1,355,423	6,564	$1,403,489	6,613	$1,465,103	49	$61,614	16	$43,100	33	$18,514
Less: Adjustments for Other Funding Sources:		30,335										
Net, Enacted Appropriations and Budget Estimates	6,428	$1,385,758	6,564	$1,403,489	6,613	$1,465,103	49	$61,614	16	$43,100	33	$18,514

25756A

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
United States Secret Service
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses	6,032	$1,094,599	484	$77,526	6,516	$1,172,125	6,043	$1,113,702	521	$86,125	6,564	$1,199,827	6,094	$1,155,770	519	$84,708	6,613	$1,240,478
Protection	3,851	699,090			3,851	699,090	3,752	645,165			3,752	645,165	3,927	711,456			3,927	711,456
Field Operations	1,388	175,867	462	58,623	1,850	234,490	1,498	226,462	499	75,467	1,997	301,869	1,549	226,341	516	75,448	2,065	301,789
Administration	527	177,418	15	15,269	542	192,687	527	197,751	15	8,704	542	206,455	346	169,961	2	7,220	348	177,181
Training	266	42,224	7	3,634	273	45,858	266	44,384	7	1,954	273	46,338	272	48,012	1	2,040	273	50,052
Mandatory				210,000	---	210,000				200,000	--	200,000				200,000	---	200,000
Special Event Fund														20,900				20,900
Acquisition, Construction, Improvements, and Related Expenses		3,428		205	---	3,633		3,456		206	---	3,662	---	3,515	---	210	---	3,725
Total Direct Appropriations and Budget Estimates	6,032	$1,696,027	484	$287,731	6,516	$1,385,758	6,043	$1,117,158	521	$286,331	6,564	$1,403,489	6,094	$1,180,185	519	$284,918	6,613	$1,465,103

iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
U. S. Secret Service (USSS)

Status of Congressionally Requested Studies, Reports, and Evaluations

1. House Report 109-79, page 73 recommends providing the Service with authority and funding for an additional 15 FTEs for foreign field office staffing and directs the Service to provide, no later than November 1, 2005, a report detailing where these additional FTEs will be located. The due date was changed in the Conference Report on the FY 2006 appropriation to coincide with submission of the FY 2007 budget. Target response to the Committee February 10, 2006.

2. House Report 109-79, page 73 directs the Service to submit a report that provides statistical details of training productivity for the period of fiscal year 2000 through fiscal year 2005, including: a complete breakout of the number of agents trained at the James J. Rowley Training Center and the purpose for which they received training; the number, type, and purpose of tactical and specialized training courses that have been administered; the number and type of state and local law enforcement officials that have been trained; and a detailed summary of changes in the training curriculum for both special agents and state and local officials. This report must also include an explanation of the metrics used by the Service to measure training performance and productivity. Target response to the Committee February 10, 2006.

3. House Report 109-79, page 75 directs the Secret Service to re-submit the JJRTC Master Plan, originally request in FY 2004, along with the fiscal year 2007 budget. This revised, 5-year plan should include a detailed breakout of the costs associated with current needs and challenges; a detailed breakout of the costs associated with specific proposals for enhancing the curriculum and facilities; a cost-benefit analysis of a student/trainee dormitory; the costs associated with the modernization and refurbishment of the canine training facility; and a detailed summary of how the JJRTC is supporting other federal agencies, particularly other DHS agencies. This report should include, at a minimum, historical data from fiscal year 2004, current year data from fiscal year 2005, and the five-year master plan for fiscal years 2006 through 2010. Target response to the Committee February 27, 2006. The Service is working with a contractor regarding the 5-year plan for the Rowley Training Center, and the contractor asked for more time in preparing this plan. USSS Office of Congressional Affairs discussed extending the due date for this report with both the House and Senate appropriations subcommittee staff, and the staff agreed that the date could be extended to the 27th of February.

4. House Report 109-79, page 72 and Conference Report 109-241, page 63 direct the Service to submit a workload re-balancing report along with the fiscal year 2007 budget request that provides a detailed summary of the steps the agency will take to achieve a target overtime of no more than 60 hours per special agent per month. The Committee believes that workload re-balancing should reflect an equitable split of special agent time devoted to investigations and protection of 50 percent to each as well as increased availability for training. Target response to the Committee February 10, 2006.

5. House Report 109-79, page 74 and Conference Report 109-241, page 62 direct the Secret Service to submit a NSSE Budgeting Model with the fiscal year 2007 budget request that includes a detailed accounting of the costs associated with NSSEs, including manpower projections, resources, technical support, travel, and other related expenses. This model should not only incorporate the historical cost data from previous NSSEs, it should also categorize these events in such a way that the primary variables associated with NSSEs—including geography, duration, protectees, and the nature of the given venue or event—are all considered and weighted accordingly. Target response to the Committee February 10, 2006.

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
United States Secret Service
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity 1/
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Salaries and Expenses	N/A	N/A	N/A	**$1,440,478**
- Protection of persons and facilities	N/A	N/A	N/A	746,238
- National special security event fund	N/A	N/A	N/A	---
- Protective intelligence ativities	N/A	N/A	N/A	64,501
- White House mail screening	N/A	N/A	N/A	16,201
- Domestic field operations	N/A	N/A	N/A	274,330
- international field office administration, opertions and training	N/A	N/A	N/A	25,170
- Electronic crimes special agent program and electronic crimes task force	N/A	N/A	N/A	51,218
- Headquarters, management and administration	N/A	N/A	N/A	196,801
- National Center for Missing and Exploited Children	N/A	N/A	N/A	7,811
- Rowley training center	N/A	N/A	N/A	58,158
Acquisition, Construction, Improvements, and related expenses	**N/A**	**N/A**	**N/A**	**3,725**
Special Event Fund	**N/A**	**N/A**	**N/A**	**20,900**
Total Direct Authorization/Appropriation				**$1,465,103**

1/ Authorization Cites

The Secret Service is established in 18 U.S.C. 3056 and 3 U.S.C. 202. 18 U.S.C. 1029 and 1030 specifically authorize the Service to investigate offenses under those sections.

Department of Homeland Security

United States Secret Service

Salaries and Expenses

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

UNITED STATES SECRET SERVICE
SALARIES AND EXPENSES

I. Appropriation Overview

A. Mission Statement for Salaries and Expenses:

The United States Secret Service (USSS) performs two critical homeland security missions: protection and criminal investigations. USSS protects the President and Vice President, their families, visiting heads-of-state/government, and other designated individuals, such as the Secretary of Homeland Security; investigates threats against these protectees; protects the White House, Vice President's Residence, Foreign Missions, and other designated buildings within the Washington, D.C. area; and designs, coordinates, and implements operational security plans for designated National Special Security Events. USSS investigates violations of laws relating to: counterfeiting of obligations and securities of the United States; financial crimes such as access device fraud, financial institution fraud, identity theft, and computer fraud; and computer-based attacks on our nation's financial, banking, and telecommunications infrastructure.

In order to accomplish both its protective and investigative missions, USSS has offices located throughout the United States and in 15 foreign countries. The employees of USSS are predominantly special agents, uniformed officers, and support personnel.

B. Budget Activities:

In FY 2006, the Service received $1.2 billion for its Protection and Investigations Activities. Included in this amount is $6.852 million for protective countermeasure programs. Also, this amount includes $9.938 million to hire and train 71 additional Special Agent and support positions. Additional positions will be added to the counter surveillance unit, the counter assault team, and additional protective support technicians, physical security specialists and electronic crimes task force agents will be hired.

Activity: Protection

USSS successfully provided protection to over 160 foreign heads-of-state/government who attended the United Nations General Assembly 60th anniversary (UNGA-60) in New York City. Security plans were developed and constantly changed until the day of the event to adapt to the ever-changing number of protectees attending the event.

Also during FY 2005, USSS successfully provided protection to 53 permanent protectees, and project that in FY 2007 protection will be provided at 2,000 stops for foreign heads-of-state and their spouses visiting the country.

USSS is mandated to provide protection to former Presidents for a period of 10 years after leaving office; this protection may be extended if available intelligence indicates that the threat level warrants such an extension. In January 2009, the Service will need to have a detail fully equipped and operational for the protection of former President Bush and Mrs. Bush. Planning and staffing for the new detail will begin in FY 2007 so all will be in place and operational following the Inauguration of the new president in January of 2009.

Activity: Field Operations

Operation Firewall

The Electronic Crimes Special Agent Program (ECSAP) allows agents to not only investigate criminal violations, but to identify and address potential cyber vulnerabilities before they are exploited. This proactive nature of the program has proven invaluable to successfully preventing cyber attacks that would have otherwise resulted in the large scale financial losses to U.S-based companies and a disruption of day-to-day services utilized by citizens of this country.

During FY 2005, USSS conducted a technologically ground-breaking cyber crime investigation known as Operation Firewall. Operation Firewall involved USSS hosting an established website that was a portal for online fraud. This website was used by criminals throughout the world to trade fraudulently obtained credit card account information.

The investigation culminated with agents nationwide and overseas executing 26 search warrants. Operation Firewall led to arrests not only in the United States, but also in Argentina, Belarus, Bulgaria, Canada, Estonia, Poland, Sweden and the United Kingdom.

To date, over 33 arrests have been made domestically and overseas. A significant number of manufacturing/identification plants, counterfeit notes (euros and dollars), counterfeit credit cards, and narcotics were seized. Upon preliminary findings, it was determined that this particular operation prevented at least one-half billion dollars in potential fraud losses.

The investigation of other ECSAP cyber crime cases has resulted in similar savings to potential victims. In FY 2006 and FY 2007, 312 new agents will participate in ESCAP training.

Supernote Investigation

The "Supernote" is a high-quality counterfeit note of federal currency first detected in 1989. The "Supernote" investigation has been ongoing since the note's first detection. USSS is working very closely with the intelligence community in analyzing Supernote distribution activity. Since 1989, USSS has seized almost $40,000,000 of the Supernote. The quality of this family of notes, as well as the note's origin, is of great concern to the Service.

Bogotá Resident Office Recovers $4M in Counterfeit, Arrests Seventeen

During FY 2005, agents assigned to Bogotá Colombia, working in conjunction with Bogotá government officials and confidential informants in Cali, Colombia infiltrated the Arana crime organization in Colombia. The Arana organization is suspected of being one of the largest counterfeiting groups in Colombia. At the conclusion of a four month investigation, agents from the

Bogotá Resident Office, supplemented by Miami field office agents, and in conjunction with approximately 150 Colombian police officers, executed 18 search warrants, arrested 17 members of the Arana crime organization and seized $4 million.

During FY 2006 and FY 2007, field offices will continue conducting security "advances" and provide other direct support for protective visits within their district while also conducting criminal investigations involving counterfeiting, financial and cyber crime.

Activity: Administration

Management and Organization Division

Major accomplishments for FY 2005 include working with the Department of Homeland Security (DHS) to solicit and select a vendor to design and implement a Department-wide time and attendance system capable of capturing labor distribution.

The Management and Organization Division also developed analytical methodology to successfully complete the Office of Management and Budget's Program Assessment Rating Tool (PART). The Service received ratings of "effective" for PARTs of three USSS programs.

In FY 2006, the Management and Organization Division will be working with DHS to develop a labor distribution system that meets the unique needs of the Service. Pilots of the newly-developed system will be conducted at offices of varying scope and size. The office will also work with DHS to select a vendor to develop a Service-wide Integrated Document Management System (IDMS).

In FY 2007, the new labor distribution system and integrated document management system will be implemented and the appropriate training conducted.

Procurement Division

In FY 2005, the Procurement Division implemented a new contract writing system that has integrated with the financial management system and the property management system. The prior system was a stand alone system that was not integrated with other systems in the Service.

Procurement awarded about $90,000,000 in procurement actions in FY 2005.

Financial Management Division

An integrated commercial off-the-shelf financial management, travel, property management, and acquisition system was implemented to support the protective and investigative missions. This implementation will support the Department of Homeland Security's goal of producing timely and accurate financial statements.

Goals and accomplishments within Human Resource divisions include the following:

Human Resources Division

- Revise the merit promotion plan for special agents
- Implement an applicant tracking system within Recruitment and Personnel Security (RPS) and Personnel (PER)
- Continue to enhance efforts to recruit, hire, and retain the brightest, most qualified applicants with diverse skills, ethnicity and backgrounds for employment
- Implement the Max Human Resources System (MaxHR)

Recruitment and Personnel Security Division

- Complete the required Department of Homeland Security (DHS) recertification for all USSS Sensitive Compartmented Information Facilities (SCIF)
- Provide classified document and security awareness for all employees
- Review all safety programs and, if necessary, implement new operational procedures to ensure compliance with required OSHA regulations

Personnel Division

- Implement Employee and Manager Self Service (HR Connect)
- Go live with Career Connector (Quick Hire)
- Implement rotational assignments to enable employees to develop additional competencies and a broader knowledge base of human resources

Activity: Training

During FY 2005, initial training was completed for 240 Special Agents, 216 Uniformed Division Officers, and approximately 120 administrative, professional, and technical positions.
The James J. Rowley Training Center provided training for a total of 43,714 students. This training included 48 basic new recruit courses for 1,128 students, 609 in-service courses scheduled for 7,479 students, and 35,107 weapon re-qualifying students. The James J. Rowley Training Center anticipates similar course and student statistics in FY 2006 and FY 2007.

In FY 2006, the Office of Training intends to develop a comprehensive in-service training program for Special Agents and Uniformed Division Officers. Also planned is the formulation and development of a systemic process to meet the accreditation standards established by the Federal Law Enforcement Training Accreditation (FLETA) Board.

James J. Rowley Training Center

The following are the goals for the James J. Rowley Training Center (JJRTC) during the next two fiscal years:

- Develop a comprehensive "Master Plan" for JJRTC
- Launch the Learning Management System (LMS), which will provide access to catalog of training and web-based courses; view training histories on-line; nominate individuals for training on-line; and track resources associated with training

- Incorporate and expand the use of technology (e.g. virtual teleconference, virtual classroom and web-based) to send recurring training to the field offices when traditional instructor lead training is impractical, time sensitive or cost prohibitive

Major challenges impacting the USSS' ability to accomplish its mission during the ongoing Global War on Terror include terrorists' sustained motivation to attack U.S. interests (including its leaders and economy) and the increasing technological sophistication of the threat environment. It is imperative to equip personnel with the technological tools necessary to operate in the modern threat environment inclusive of nuclear, biological, chemical, and radiological threats to protectees, protected facilities, and protected events.

The Service continues to assess its technological capability to identify and mitigate threats to fixed and temporarily protected sites visited by the President, Vice President, and high-threat protectees. In FY 2007, the Service will enhance, upgrade, and replace several systems for existing Classified Programs that address physical, technological, electronic, and air security threats. In addition, the Service will add additional limousines to the primary Presidential/Vice Presidential armored vehicle fleet, enhancing the availability and operability of vehicles to ensure security for the President and Vice President when they are in a travel status.

Other major challenges to the USSS's ability to accomplish its mission derive from the American election cycle and term limitations. During 2007, the Service will begin preparations for the 2008 Presidential Campaign, by providing training to candidate/nominee protective detail personnel, and procuring and leasing equipment and supplies to support candidate/nominee protective operations. With President Bush completing his second and last term, and with Vice President Cheney indicating he will not be a candidate/nominee for President in 2008, the Service faces an unprecedented situation relative to candidate/nominee protection. The Service will need to provide protection for candidates and nominees from both parties in addition to protecting the sitting President and Vice President. Additional staffing is also necessary to provide protection for another former President at the completion of President George W. Bush's second term. In order to prepare strategically for inevitable and mission-critical workload increases, the Service must budget in FY 2007 for both Campaign 2008 and the President's post-presidency detail.

In summary, the environment in which the USSS must accomplish its mission in FY 2007 – FY 2011 will be characterized by the following major challenges:

- Terrorists' sustained motivation to attack U.S. leaders and economy
- Increasing technological sophistication of the threat environment
- The American election cycle

C. Budget Request Summary

USSS requests 6,628 positions, 6,613 FTE and $1,440,478,000 for FY 2007. The total adjustments-to-base are 33 FTE and $18,451,000. Program increases include 31 positions, 16 FTE and $22,200,000.

Allocation of base resources within the request for 2007 in part reflects a realignment of resources necessary to maintain specific service levels for 2006.

The budget will fund the following program initiatives:

Increments over current service: Former President Bush Detail

Funding is requested to staff and support the post-presidency detail of President Bush. Although the detail will not be operational until January 20, 2009, providing funds in FY 2007 will allow for recruiting, hiring and training of personnel in advance of President Bush leaving office. Upon completion of training, these new agents will be used to support candidate/nominee protection throughout Campaign 2008. Following the Inauguration of the new president, these agents will be used to backfill senior special agents who will be required to staff the post-presidency detail. This proactive approach will allow for a smooth implementation of protection and transition of personnel without jeopardizing other critical program operations. Staffing the new detail supports accomplishment of the Domestic Protectees program performance goal to protect our nation's leaders and other protectees by ensuring protectees arrive and depart safely 100 percent of the time.

Increments over current service: Protective Terrorist Countermeasures Support Programs

USSS is requesting additional base funding to support and enhance critical operational and classified systems.

Technical Surveillance and Electronic Countermeasures

Funding will be used to upgrade, enhance, replace and maintain existing critical classified systems used to identify and mitigate technical and electronic threats to fixed and temporary protected sites visited by the President, Vice President, and other high-threat protectees. These classified countermeasures include state-of-the-art technical and electronic surveillance systems (fixed and portable) that identify and mitigate current and emerging electronic threats; the specialized software supporting these systems must be upgraded. If these systems are not upgraded, the Service's ability to identify and negate electronic devices used for intelligence intercepts and/or the activation of explosive or other hazardous devices will be compromised. The requested upgrades and enhancements will support accomplishment of the performance goal to protect our nation's leaders and other protectees.

Chemical / Biological Mitigation

Requested funding will support specialized threat-detection, including Hazardous Agent Mitigation Medical Emergency Response (HAMMER) and Rapid Intervention Safety and Command (RISC). HAMMER and RISC protect the President, Vice President, and other high-threat protectees from a variety of chemical/biological/radiological/nuclear threats, as well as provide response for medical and rescue emergencies.

Funding will allow for expansion of fixed and portable chemical/biological/radiological/nuclear surveillance and alarm systems; procurement of specialized monitoring and rescue equipment; replacement of personal protective equipment and biological and chemical detection equipment; and expansion of services required to collect, analyze, and mitigate chemical threats. Funding would provide a necessary replacement cycle for the specialized chemical and biological mitigation equipment. The requested equipment and services will support accomplishment of the performance goal to protect our nation's leaders and other protectees.

Enhancements to Communications Systems

Funding will allow for the acquisition of classified (HSDN) systems, wireless communications (Blackberry) systems and specialized encrypted radio systems, as well as allow for the establishment of a replacement cycle for existing equipment. The existing systems, both fixed and portable, require upgrades and enhancements to support critical mission requirements aligned to the performance goal to protect our nation's leaders and other protectees.

Software Application Modernization Services

Funding is required to upgrade and integrate new software in support of operational and classified systems; migrate from mainframe systems (as below); and convert operational data to a web-based system. Modernization of existing applications and migration to web-based systems will position the USSS to be interoperable with Departmental systems, systems of other organizational elements, and other government agencies. This interoperability will enhance the ability to identify and mitigate threats to persons protected by the USSS, and to homeland security in general.

Special Operations Equipment

Funding will be used to enhance, acquire, replace, and maintain specialized weapon systems and tactical equipment (high-tech night vision, tactical body armor, lasers sites) used by members of the Counter Assault Team, Counter Sniper Team, Emergency Response Team, and Counter Surveillance Team. Teams perform critical protective support missions that include identifying and mitigating threats against protectees and protected sites and venues. Team members must have functional, state-of-the-art tactical equipment and specialized weapons systems in order to successfully achieve results. Additional funding for these teams will support accomplishment of the performance goal to protect our nation's leaders and other protectees by ensuring protectees arrive and depart safely 100 percent of the time.

Primary Armored Vehicles

USSS requires funding to increase and maintain current primary Presidential/Vice Presidential armored vehicles. The vehicle carrying the President serves as the Oval Office when he travels beyond the perimeter of the White House Complex. Additional funding will allow for expansion, maintenance, and replacement of the existing Presidential/Vice Presidential armored vehicle fleet. The primary Presidential/Vice Presidential armored vehicles contain state-of-the-art technologies, including transparent armor that is vital to the ability to provide critical protection to the President and Vice President when outside of protected sites. The degree of protection afforded by these primary armored vehicles is significantly higher than it is for any other armored vehicle in the world. The availability and operability of the Service's armored fleet would be greatly enhanced through this additional funding and contribute to the accomplishment of the performance goal to protect our nation's leaders.

[Note: any discussion of vehicle capabilities must be conducted in closed sessions. A document classified "Secret" describing the performance of the above armor systems is available upon request.]

Spectrum Relocation

In December 2004, the Congress passed and the President signed the Commercial Spectrum Enhancement Act (CSEA, Title II of P.L. 108-494), creating the Spectrum Relocation Fund (SRF) to streamline the relocation of Federal systems from certain spectrum bands to accommodate commercial use by facilitating reimbursement to affected agencies of relocation costs. The Federal Communications Commission has allocated this spectrum for Advanced Wireless Services, and plans to auction it as early as June 2006. Funds will be made available to agencies following the crediting of auction receipts to the SRF, anticipated in FY 2007. Following the transfer of funds from the SRF to agency accounts, system relocation efforts will commence. The amounts reported here are the agency's estimated relocation costs, as approved by the Office of Management and Budget, and as reported to the Congress by the Department of Commerce in December 2005. Funds are mandatory and will remain available until expended, and agencies will return to the SRF any amounts received in excess of actual relocation costs

USSS intends to implement the Commercial Spectrum Enhancement Act frequency change on all affected components (microwave systems, receivers, transmitters) beginning October, 2006. This frequency change from 1710-1755 GHZ to existing frequencies requires reprogramming of radio components only, and is estimated to cost $106,000 over a 12 month period.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
United States Secret Service
Salaries and Expenses
FY 2006 to FY 2007 Budget Change
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Protection of persons and facilities	3,463	$619,853	3,348	$570,249	3,451	$639,747	103	$69,498	16	22,200	87	$47,298
National special security event fund		2,566		2,500			---	(2,500)			---	(2,500)
Protective intelligence activities	466	52,392	456	56,215	476	55,509	20	(706)			20	(706)
White House mail screening		16,365		16,201		16,201	---	-			---	---
Domestic field operations	1,559	195,167	1,653	241,301	1,683	236,093	30	(5,208)			30	(5,208)
International field office administration, operations and training	60	19,452	79	20,968	82	21,616	3	648			3	648
Electronic crimes special agent program and electronic crimes task forces	268	35,828	241	39,600	300	44,079	59	4,479			59	4,479
Headquarters, management and administration	317	172,940	487	198,645	328	169,370	(159)	(29,275)			(159)	(29,275)
National Center for Missing and Exploited Children	20	7,100	20	7,811	20	7,811	---	-			---	---
Rowley training center	275	43,056	280	46,337	273	50,052	(7)	3,715			(7)	3,715
Subtotal, Enacted Appropriations and Budget Estimates	**6,428**	**$1,164,719**	**6,564**	**$1,199,827**	**6,613**	**$1,240,478**	**49**	**$40,651**	**16**	**$22,200**	**33**	**$18,451**
Adjustments for Other Funding Sources:		**$7,406**										
Net, Enacted Appropriations and Budget Estimates	**6,428**	**$1,172,125**	**6,564**	**$1,199,827**	**6,613**	**$1,240,478**	**49**	**$40,651**	**16**	**$22,200**	**33**	**$18,451**

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II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
United States Secret Service
Salaries and Expenses - Mandatory
FY 2006 to FY 2007 Budget Change
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Protection of persons and facilities		$90,847		$104,378		$106,541	---	$2,163			---	$2,163
National special security event fund							---	-			---	---
Protective intelligence activities		9,797		8,810		8,992	---	182			---	182
White House mail screening							---	-			---	---
Domestic field operations		36,629		34,504		38,237	---	3,733			---	3,733
International field office administration, operations and training		3,637		3,577		3,554	---	(23)			---	(23)
Electronic crimes special agent program and electronic crimes task forces		6,700		5,454		7,139	---	1,685			---	1,685
Headquarters, management and administration		32,208		35,055		27,431	---	(7,624)			---	(7,624)
National Center for Missing and Exploited Children							---	-			---	---
Rowley training center		8,051		8,222		8,106	---	(116)			---	(116)
Subtotal, Enacted Appropriations and Budget Estimates	---	**$187,869**	---	**$200,000**	---	**$200,000**	---	**$0**	---	**$0**	---	**$0**
Adjustments for Other Funding Sources:		$22,131										
Net, Enacted Appropriations and Budget Estimates	---	**$210,000**	---	**$200,000**	---	**$200,000**	---	**$0**	---	**$0**	---	**$0**

Note: The Mandatory fund has no 2007 Realignment-to-Base.

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Secret Service
Salaries and Expenses
Program Performance Justification
(Dollars in thousands)

PPA: PROTECTION

	Perm. Pos.	FTE	Amount
2005 Actual	**3,999**	**3,929**	**$791,820**
2006 Revised Enacted	**3,822**	**3,804**	**$758,353**
2007 Adjustments to Base		18	11,004
2007 Proposed Base Realignment	65	65	32,433
Campaign Labor Adjustment	24	24	3,000
2007 Current Services	**3,911**	**3,911**	**$804,790**
2007 Program Changes	31	16	22,200
2007 Request	**3,942**	**3,927**	**$826,990**
Total Change 2006-2007	120	123	68,637

USSS requests $826.99 million for this activity. This is an increase of $68.637 million from FY 2006. Adjustments to the base include position annualization ($979 thousand), pay annualization and pay and non-pay inflation ($12.525 million). Proposed realignments to the base of ($32.433 million) and 65 FTE were made based on actual 2005 spending, (-2.500 million) was realigned to the proposed new National Special Security Event (a separate no-year appropriation), which more accurately projects anticipated FY 2007 spending by PPA. The 2007 request includes the President Bush post-presidency detail ($5 million & 16 FTE), armored vehicles ($9 million) and classified programs ($8.2 million). Also, 24 FTE and (3 million) has been realigned from the field operations program to the protection program to provide planning and training for the 2008 Presidential Campaign.

CURRENT SERVICES PROGRAM DESCRIPTION:

Protection is the primary mission of the Secret Service. USSS is authorized by law to protect:

- the President, the Vice President, (or other individuals next in order of succession to the Office of the President), the President-elect and Vice President-elect;
- the immediate families of the above individuals;
- former Presidents and their spouses for their lifetimes, except when the spouse re-marries (In 1997, legislation was passed limiting USSS protection to former Presidents for a period of not more than 10 years from the date the former President leaves office.);
- children of former presidents until age 16;
- visiting heads of foreign states or governments and their spouses traveling with them, other distinguished foreign visitors to the United States, and official representatives of the United States performing special missions abroad; and

- major Presidential ad Vice Presidential candidates. Protection is also responsible for spouses within 120 days of a general Presidential election.

Certain protective methods are generally the same for all individuals protected. Permanent protectees, such as the President and the First Lady, have details of special agents assigned to them. Temporary protectees, such as candidates and foreign dignitaries, have details of special agents on temporary assignment from USSS field offices. USSS does not discuss methods or means in any detail; however, generally speaking, an advance team surveys each site to be visited. From these surveys, the team members determine staffing, equipment requirements, and the location of hospitals and evacuation routes for emergencies. Fire, rescue, and other public service personnel in the community are alerted. A command post is established with full communications facilities. The assistance of the military, Federal, state, county, and local law enforcement organizations is a vital part of the entire security operation.

Before the protectee's arrival, the lead advance agent coordinates the security planning with all law enforcement representatives participating in the visit. Personnel are posted and are alerted to specific problems associated with the visit. Intelligence information is discussed, identification specified, and emergency options outlined. Prior to the arrival of the protectee, checkpoints are established and access to the secured area is limited.

Protection of Persons and Facilities

The primary purpose domestic protection program is to protect our nation's leaders. To accomplish this, the program operates to ensure protectees' personal protection and to protect the buildings and grounds where these individuals reside and work (e.g., the White House Complex and the Vice President's residence). Since the September 11, 2001 attacks, there has been a significant increase in the number of protectees receiving varying levels of protection. The total number of protectees now stands at 53: 28 in the "traditional" category; 5 in the "provisional" category; and 20 in the "non-traditional" category. In the list of protectees considered "traditional," we have added the Secretary and Deputy Secretary of DHS, while maintaining the detail for the Secretary of the Treasury. Many of the new protectees fall under the category of "non-traditional" and do not consume the same level of resources as those categorized as "traditional". However, effective protection is provided to "non-traditional" protectees, and contingency plans have been developed to maximize protection immediately should circumstances warrant.

Part of the protection of persons and facilities program is the protection of foreign heads-of-state/government visiting the United States. Foreign dignitary protection includes: 1) protect visiting heads-of-state/government, and their spouses, as well as other distinguished visitors to the U.S. as directed by the President; and 2) provide external security to foreign diplomatic embassies and missions in the Washington, D.C. area (and other limited areas consistent with statute). USSS provides protection to these individuals by strategically placing human and physical assets (agents, tactical support, technical security, explosives detection, WMD detection and countermeasures, and specialized training) during their visits to the United States. All efforts are directed to ensuring that foreign dignitaries and foreign missions receive the optimal level of protection.

Foreign dignitaries who visit the U.S. often are high-profile individuals and are considered to have medium to high threat levels. Today's environment necessitates the implementation of complex security operations that involve multiple jurisdictions and functions.

The foreign protection program has the sole statutory authority to provide a dedicated police presence and response to foreign embassies and chanceries. When a "surge" in protective responsibilities in this area occurs, USSS turns to other entities (i.e., Metropolitan Police Department) for assistance in dealing with such issues as demonstration control. Currently, the Service protects 556 missions located in the Washington, D.C. area.

Protective Intelligence Activities

The protective intelligence program is responsible for overseeing the investigation and evaluation of all protective-intelligence subjects and for the receipt, analysis, and dissemination of all protective intelligence information. This mission is accomplished by the review, coordination, control and referral of information about individuals, groups and activities that pose a potential threat to persons and property.

White House Mail Screening

USSS screens White House mail to ensure it is free of harmful toxins.

PPA: FIELD OPERATIONS

	Perm. Pos.	FTE	Amount
2005 Actual	**1,911**	**1,887**	**$297,413**
2006 Revised Enacted	**1,988**	**1,973**	**$345,404**
2007 Adjustments to Base		15	6,863
2007 Proposed Base Realignment	101	101	1,451
Campaign Labor Adjustment	(24)	(24)	(3,000)
2007 Current Services	**2,065**	**2,065**	**$350,718**
2007 Program Changes			
2007 Request	**2,065**	**2,065**	**$350,718**
Total Change 2006-2007	77	92	5,314

USSS requests $350.718 million for this activity. This is an increase of $5.314 million from FY 2006. Adjustments to the base include position annualization ($1.617 million), pay annualization and pay and non-pay inflation ($5.246 million). Proposed realignments to the base of ($5.051 million) and 101 FTE were made based on actual 2005 spending, adjusted for non-recurring Katrina supplemental costs ($-3.6 million), which more accurately projects anticipated FY 2007 spending by PPA. Also, 24 FTE and ($-3 million) has been realigned from the field operations program to the protection program to provide planning and training for the 2008 Presidential Campaign.

CURRENT SERVICES PROGRAM DESCRIPTION:

USSS is mandated by statute and executive order to carry out two significant missions: protection and criminal investigations. USSS was established as a law enforcement agency in 1865, with an original mandate to investigate the counterfeiting of U.S. currency.

USSS exercises broad investigative jurisdiction over a wide variety of financial crimes. As the original guardian of our nation's financial payment systems, the Service has a long history of protecting American consumers and industry from financial fraud. In addition to its original mandate to combat the counterfeiting of U.S. currency, the passage of new Federal laws in 1982 and 1984 provided USSS with primary authority for the investigation of access device fraud, including credit and debit card fraud, and parallel authority with other law enforcement agencies in identity crime cases.

In the early 1990s, the investigative mission expanded to include concurrent jurisdiction with the United States Department of Justice for Financial Institution Fraud. Also during this time frame, the Internet and use of personal computers became mainstream and used worldwide. The economies of scale made personal computers and peripheral equipment affordable to even the most common of criminals.

The combination of the information revolution and the effects of globalization have caused the investigative mission to evolve dramatically. As a result, USSS has evolved into an agency that is recognized worldwide for its expertise in all types of financial crimes; and its efforts to detect, investigate and prevent financial crimes are aggressive, innovative and comprehensive.

Domestic Field Operations

To accomplish its investigative and protective responsibilities, the Service maintains a worldwide network of field offices. This includes 135 domestic offices. Agents assigned to these domestic offices are responsible for investigating violations of laws relating to counterfeiting of obligations and securities (Currency, Treasury Checks, etc.); to financial crimes that include, but are not limited to, access device fraud, financial institution fraud, identity theft, computer fraud; and to computer-based attacks on our nation's financial, banking, and telecommunications infrastructure.

In addition to investigative responsibilities, agents assigned to these offices spend significant time augmenting permanent and temporary protective details, including the Presidential Protective Division, the Vice Presidential Protective Division, other permanent protective details, as well as temporary details for visiting heads of state/heads of government.

International Field Office Administration, Operations and Training

USSS maintains 19 foreign field offices in 15 countries. Similar to domestic counterparts, agents assigned to these offices are responsible for investigating violations of criminal statutes falling under the investigative mission. However, without arrest authority, agents liaison with their foreign law enforcement counterparts in order to accomplish their investigative responsibilities. Additionally, these agents augment any protective mission falling within their geographic area of responsibility. Relationships established from conducting criminal investigations greatly enhance the ability to provide a safe and secure environment for the people it protects while they travel overseas.

Electronic Crimes Special Agent Program (ECSAP) and the Electronic Crimes Task Force (ECTF)

In response to the emerging trends involving the use of computers and peripheral devices, USSS established the Electronic Crimes Special Agent Program, or ECSAP. Special Agents involved with ECSAP are computer investigative specialists, qualified to conduct examinations on many types of

electronic evidence, including computers, personal data assistants, telecommunications devices, electronic organizers, and other electronic media. ECSAP is the only program of its kind in the country with the level of expertise and culture of partnership building with stakeholders across the spectrum of critical infrastructure in the United States. Currently, there are over 200 Special Agents participating in ECSAP.

In addition to ECSAP, USSS established a domestic network of 15 Electronic Crimes Task Forces (ECTFs). The concept of the ECTF model is truly unique since it brings together not only Federal, state and local law enforcement officials from a specific region, but also prosecutors, private industry, and academia. These task forces provide a productive framework and collaborative crime-fighting environment in which the resources of its participants are combined to effectively and efficiently make a significant impact in preventing and detecting electronic crimes.

PPA: ADMINISTRATION

	Perm. Pos.	FTE	Amount
2005 Actual	**356**	**337**	**$212,248**
2006 Revised Enacted	**507**	**507**	**$241,511**
2007 Adjustments to Base			3,265
2007 Proposed Base Realignment	(159)	(159)	(40,164)
2007 Current Services	**348**	**348**	**$204,612**
2007 Program Changes			
2007 Request	**348**	**348**	**$204,612**
Total Change 2006-2007	(159)	(159)	(36,899)

USSS requests $204.612 million for this activity. This is a decrease of $36.899 million from FY 2006. Adjustments to the base include pay annualization and pay and non-pay inflation ($3.265 million). Proposed realignments to the base (-$40.164 million) and 7 FTE were made based on actual 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

CURRENT SERVICES PROGRAM DESCRIPTION:

Administration is responsible for:

(1) tracking, monitoring, executing, and reporting the financial activities;
(2) improving the efficiency and productivity of personnel;
(3) conducting analyses of program objectives and strategies to examine operational and cost factors impacting the continued viability of ongoing activities and the feasibility of proposed initiatives;
(4) procuring quality goods and services in a timely fashion;
(5) administering the design, construction, acquisition, assignment, maintenance, and disposal of properties.

Headquarters, Management and Administration

Headquarters, Management and Administration develops and administers policies, plans, and procedures in budget, finance, accounting, financial systems, statements, and relocation and travel services. It exercises accountability over the collection and disposition of financial resources and examines and processes documents for payment of contracts, purchase orders, invoices and recurring expenses, including reservations and payments for travel and relocation services. Administration also provides management and program analysis support to all operational and administrative programs involving studies of organizational structuring, workflow efficiencies, and staffing allocations. It maintains organization charts and Functional Responsibility Statements for all offices. In addition, it establishes, develops, implements, and manages the strategic planning process and coordinates participation in all Treasury and Government-wide management improvement and evaluation programs. These tasks serve to assist the executive level in formulating organizational direction.

Administration purchases goods via procurement services within the scope of the law and regulations and provides value-added procurement solutions to ensure that government assets and resources are wisely managed.

Finally, Headquarters, Management and Administration promotes fairness, consistency, and efficiency in the utilization of staffing, scheduling, and travel logistics through the Logistics Resource Center. It analyzes staffing needs and travel logistics alternatives to provide for more informed decision-making by balancing cost considerations with operational needs.

National Center for Missing and Exploited Children

Language contained in the Violent Crime Reduction Trust Fund legislation in 1995 directed USSS to provide forensic support to the National Center for Missing and Exploited Children. USSS conducts forensic support including polygraph examinations, handwriting examinations, voiceprint comparisons, audio and video enhancements, age progressions/regressions, and fingerprint research and identification.

PPA: TRAINING

	Perm. Pos.	FTE	Amount
2005 Actual	**278**	**273**	**$51,107**
2006 Revised Enacted	**280**	**280**	**$54,559**
2007 Adjustments to Base			919
2007 Proposed Base Realignment	(7)	(7)	2,680
2007 Current Services	**273**	**273**	**$58,158**
2007 Program Changes			
2007 Request	**273**	**273**	**$58,158**
Total Change 2006-2007	(7)	(7)	3,599

USSS requests $58.158 million for this activity. This is an increase of $3.599 million from FY 2006. Adjustments to the base include pay annualization and pay and non-pay inflation ($919 thousand). Proposed realignments to the base of ($2.680 million) and -7 FTE were made based on actual 2005

spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

CURRENT SERVICE PROGRAM DESCRIPTION:

Rowley Training Center

The James J. Rowley Training Center (JJRTC) is located outside of the nation's capital in Laurel, Maryland, and is comprised of almost five-hundred acres of land, twenty-eight buildings, and six miles of roadway.

Its current workforce of approximately 300 personnel includes instructors, tactical and weapons systems specialists, curricula design staff, computer and web-based faculty/technicians, executive training advisors, administrative support, and maintenance staff.

JJRTC develops, administers, and coordinates training programs for employees, and for other federal law enforcement agencies and law enforcement officials from various state and local police departments. JJRTC provides all basic, in-service, and specialized skills training for Special Agents, Uniformed Division Officers, Special Officers and other professional personnel. It provides training for the executive, managerial, supervisory, administrative support, cyber/IT solutions, and foreign language training for all USSS components.

JJRTC provides specialized operational training for the Service's tactical elements (counter-assault, counter-sniper, and emergency response teams), which include the core components of the protective methodology. The training facility evaluates, selects, and trains all explosive detection canines/tactical canines, and administers and coordinates fitness, control tactics, vehicle operation training, emergency medicine, and water safety programs. The JJRTC conducts research and testing of munitions, and related equipment technology, and administers the acquisition, storage, maintenance, and issuance of firearms, operational weapons and ammunition to all personnel.

The Service's current Strategic Plan provides the following primary objectives with regard to future mission-driven training protocols:

- Enhance JJRTC to provide an academic environment that promotes in-depth critical thinking and innovative strategies in the areas of physical protection, site event security, threat/risk assessments, protection intelligence/counter terrorism techniques, emergency preparedness, criminal investigations, protection of critical financial infrastructure, and executive/management development.
- Maximize training opportunities by using emerging technologies, such as 3-D modeling, computer-generated simulation training, and distance learning.
- Develop and implement training programs consistent with the core mission for Federal, state, local, and foreign law enforcement partners in the areas of electronic crimes, counterterrorism/protection, cyber/counterfeit investigations, threat/risk assessment, and operational security for National Special Security Events.
- Establish partnerships with academic institutions and professional associations to assess, confirm, and ensure innovative training methodologies.

The events of September 11th, 2001, demonstrated that our adversaries are capable of attacking our nation on a grand scale and employing extensive research and surveillance methodologies, acquiring substantial skills and instruction, and striking their targets without warning. Protecting our leaders, critical and financial infrastructures, and communities is a formidable challenge. By providing state-of-the-art training, and tapping into the network of Federal, state and local law enforcement, academia and the private sector, USSS believes it will continue to develop an effective system of defense for our country.

The Rowley Training Center supports the protection and criminal investigation missions and is maintained by the Acquisition, Construction, Improvements, and Related Expenses account.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
United States Secret Service
Program Justification of Changes
(Dollars in Thousands)

Program Increase 1: President Bush Post-Presidency Detail

Strategic Goal(s) & Objective(s): Protection; Secure the physical safety of the President, Vice President, visiting world leaders and other Protectee

PPA: Protection of Persons and Facilities

Program Increase: Positions 31 FTE 16 Dollars $5,000

	FY 2005 Actual			FY2006 Enacted			FY2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Service Levels									
Program Increase							31	16	5,000
Total Request							**31**	**16**	**5,000**

Description of Item
Funding is requested to begin acquiring the staffing and support required for a new President Bush post-presidency detail. Although the detail will not be operational until January 20, 2009, providing funds in FY 2007 will allow for recruiting, hiring and training of some of the additional personnel in advance of President Bush leaving office. Upon completion of training, these new agents will be used to support candidate/nominee protection throughout Campaign 2008. Following the Inauguration of the new President, these agents will be used to backfill senior special agents who will be required to staff the new detail. This proactive approach will allow for a smooth implementation of protection and transition of personnel without jeopardizing other critical program operations.

Justification
As with former Presidents Clinton and Bush, it is anticipated that the current President will be active and maintain a high profile after he leaves office. In light of the current post-September 11th threat environment, it also is expected that he will continue to be the focal point of terrorists' aggression directed toward the United States. Consequently, significant assets will be required to provide security to the former President. In light of the ongoing war in Iraq, and the fact that President Bush is a target for terrorist activity, the President's post-presidency detail will require significantly more resources than are currently staffing other former Presidents.

The requested resources will ensure the Service effectively addresses the myriad threats expected to be directed at President Bush. In recent years, threats directed at former Presidents have increased consistent with the sustained, elevated post-September 11th threat climate associated with the Global War on Terror. This increase in threat activity requires the Service to dedicate more human and technical resources to the protective missions. This increased workload creates greater demands upon

field agents, as they investigate and assess each threat, perform protective advance and support assignments, and supplement detail staffing as necessary.

Based on the frequent domestic and international travel of Former Presidents Clinton and George H.W. Bush, it is anticipated that President Bush will be very active and travel extensively. When traveling overseas, U.S. leaders are particularly vulnerable, as the threat climate is increased and recent terrorist activity indicates a shift in focus from mass killings to political assassinations. To provide an appropriate level of security during domestic and international travel, the Service historically relies on field office personnel to supplement the protective detail.

By appropriately planning for and staffing the protective effort needed for the new detail, adverse consequences (e.g., loss of life and social impact associated with the attack on or assassination of a former President) will be reduced. If USSS does not obtain funding for this new protective detail requirement, the ability to provide an appropriate level of protection will be severely jeopardized.

Impact on Performance (Relationship of Increase to Strategic Goals)
Funding supports 16 FTE in preparation for the formation of the new detail. Although the detail will not be operational until January 20, 2009, providing funds in FY 2007 allows for recruiting, hiring, and training of a portion of the total number of personnel needed for this additional protective responsibility in advance of President Bush leaving office. Upon completion of training, the new agents will support candidate/nominee protection throughout the 2008 Presidential Campaign. Following the Inauguration of the new President, new agents will be used to backfill some of the senior special agents who will be required to staff the new detail. This proactive approach allows for a smooth implementation of protection and transition of personnel without jeopardizing other critical program operations.

As with Former Presidents Clinton and Bush, the current President is likely to be active and maintain a high, international profile after leaving office. In recent years, threats directed at Former Presidents have increased due to the Global War on Terror and other factors. The current President's role in that War is such that he is expected to continue to attract terrorists' attention after leaving office. Projected threat levels require the USSS to dedicate more human and technical resources to protective missions, and create a greater demand upon field agents, as they investigate and assess threats, perform protective advance and support assignments, and supplement detail staffing as necessary.

Program Increase 2: Protective Terrorist Countermeasures Support Programs

Strategic Goal(s) & Objective(s): Protection; Secure the physical safety of the President, Vice President, visiting world leaders and other Protectees

PPA: Protection of Persons and Facilities

Program Increase: Positions 0 FTE 0 Dollars $17,200

	FY 2005 Actual			FY2006 Enacted			FY2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Service Levels									
Program Increase									$17,200
Total Request									**$17,200**

Description of Item
Funding is requested to support and enhance critical operational and classified programs and to expand and maintain the current primary Presidential/Vice Presidential armored vehicles.

Justification
The following are the components of the request:

Technical Surveillance and Electronic Countermeasures Programs ($3.6M): Funding would be used for the upgrading, enhancing, replacing and maintaining of existing critical classified programs operating to identify and mitigate technical and electronic threats to fixed and temporary protected sites visited by the President, Vice President and high-threat Protectees. Classified programs require upgrades to specialized software and systems to maintain the state-of-the-art technical and electronic surveillance systems (fixed and portable) used to identify and mitigate current and emerging electronic threats. These countermeasure systems identify and negate electronic threats used for intelligence intercepts and/or the activation of explosive or other hazardous devices.

Enhance Chemical / Biological Mitigation Programs ($0.9M): Funding is for specialized Service programs, including the Hazardous Agent Mitigation Medical Emergency Response (HAMMER) and Rapid Intervention Safety and Command (RISC) programs. These specialized programs are used to protect the President, Vice President, and high-threat protectees from a variety of chemical/ biological/radiological/nuclear threats, as well as provide response for medical and rescue emergencies. Resources provide for the expansion of fixed and portable surveillance and alarm systems, specialized monitoring and rescue equipment, and replacement of protective equipment, and for services required to collect, analyze, and mitigate chemical threats. In particular, resources support a necessary replacement cycle for specialized chemical and biological equipment.

Enhancements to Communications Systems ($1.5M): The Service requires state-of-the-art communications systems that operate under a variety of environmental and protective security conditions. Existing fixed and portable systems require upgrades and enhancements to support critical mission requirements. Funding would allow for the acquisition of classified (HSDN) systems, wireless communications systems and specialized encrypted radio systems, to support the protective and

investigative missions, as well as allow for the establishment of a replacement cycle for existing equipment.

Software Application Modernization Services ($1.8M): Funding is for the upgrade and integration of new software in support of operational and classified programs, and migration from mainframe systems and data conversion to a web-based system. Migration to a web-based system is critical for future inter-operability with DHS and other organizational elements for threat identification and mitigation.

Special Operations Equipment ($0.4M): Funding would be used for the enhancement, acquisition, replacement and maintenance of specialized weapon systems and tactical equipment (high-tech night vision, tactical body armor, lasers sites) used by specialized members of the Counter Assault, Counter Sniper, Emergency Response and Counter Surveillance teams. The programs have been increased to meet critical protective support missions and can not be sustained with current funding. Equipment is critical to protective mission requirements.

Primary Armored Vehicle Program ($9.0M): Funding will increase and maintain the current primary Presidential/Vice Presidential armored vehicles. The Service currently has seven (7) Presidential/Vice Presidential armored vehicles. The program would allow for the expansion to twelve (12) primary armored vehicles to permit: pre-staging of vehicles when the President is visiting multiple cities, keeping vehicles in the Washington, DC area and allowing for preventive maintenance. Presidential and Vice Presidential armored vehicles contain state-of-the-art technologies including transparent armor vital to protection outside of protected sites. Armored vehicles play an important role in overall protection of the Service's protectees. Components and sub-systems of the primary armored vehicles contain integrated techniques and specific modifications to the standard armored automotive technologies. The cost of a primary limousine is proportional to its complex design, to include assembly line and mold development and construction. In addition, the Service currently has limited base funding for the routine maintenance and replacement of its standard armored vehicle program. The funding it does have in its base budget is used for the replacement of "cut and stretch" limos, armored all-terrain vehicles, follow-up motorcade vehicles and armored glass replacement. "Cut and stretch" vehicles are currently utilized to protect foreign dignitaries and other high-threat protectees.

[Note: any discussion of vehicle capabilities must be conducted in closed sessions. A document classified "Secret" describing the performance of the above armor systems is available upon request.]

Impact on Performance (Relationship of Increase to Strategic Goals)
Objective 3.4 of the DHS Strategic Plan is to "Secure the physical safety of the President, Vice President, visiting world leaders and other Protectees." Through a $17.2 million increase to Protective Terrorist Countermeasures Support, USSS significantly enhances its ability to meet the above objective.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
United States Secret Service
Justification of Proposed Changes in Salaries and Expenses
Appropriation Language

For necessary expenses of the United States Secret Service, including purchase of not to exceed [614] ***755*** vehicles for police-type use, of which [655] ***624*** shall be for replacement only, and hire of passenger motor vehicles; purchase of American-made motorcycles; hire of aircraft; services of expert witnesses at such rates as may be determined by the Director of the Secret Service; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; payment of per diem or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee requires an employee to work 16 hours per day or to remain overnight at his or her post of duty; conduct of and participation in firearms matches; presentation of awards; travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act; research and development; grants to conduct behavioral research in support of protective research and operations; and payment in advance for commercial accommodations as may be necessary to perform protective functions; [$1,200,083,000] ***$1,240,478,000***, of which not to exceed $25,000 shall be for official reception and representation expenses; of which not to exceed $100,000 shall be to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; of which [$2,389,000] ***$2,266,000*** shall be for forensic and related support of investigations of missing and exploited children; and of which [$5,500,000] ***$5,445,000*** shall be a grant for activities related to the investigations of exploited children and shall remain available until expended: Provided, That up to $18,000,000 provided for protective travel shall remain available until September 30, [2007] ***2008***: [Provided further, That of the total amount appropriated, not less than $5,000,000 shall be available solely for the unanticipated costs related to security operations for National Special Security Events, to remain available until expended]: Provided further, That the United States Secret Service is authorized to obligate funds in anticipation of reimbursements from Federal agencies and entities, as defined in section 105 of title 5, United States Code, receiving training sponsored by the James J. Rowley Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available under this heading at the end of the fiscal year.

Explanation of Changes

755 – Authority to purchase 131 new vehicles is in accordance with the need to the purchase of 100 vehicles for use during the 2008 presidential campaign, and to purchase 31 vehicles for the additional special agent staffing contained in the FY 2007 budget.

[$1,200,083,000] ***$1,240,478,000*** – proposed reduction of $2,500,000 for the new National Special Security Events fund. There are no other substantive changes.

[$2,389,000] ***$2,266,000*** – includes application of 1 percent rescission.

[$5,500,000] ***$5,445,000*** -- includes application of 1 percent rescission.

[2007] ***2008*** – No substantive changes proposed.

[Provided further, That of the total amount appropriated, not less that $5,000,000 shall be available solely for the unanticipated costs related to security operations for National Special Security Events, to remain available until expended] - Proposing that $2,500,000 be provided for in a new appropriation to be known as the Special Event Fund.

Authorization Cites
The Secret Service is established in 18 U.S.C. 3056 and 3 U.S.C. 202. 18 U.S.C. 1029 and 1030 specifically authorize the Service to investigate offenses under those sections.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
United States Secret Service
Salaries and Expenses - Discretionary
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**6,544**	**6,428**	**$1,164,719**
2006 Revised Enacted	**6,597**	**6,564**	**1,199,827**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	---	33	2,596
2007 pay and health benefits increase	---	---	15,277
GSA Rent	---	---	1,118
Non-pay inflation excluding GSA Rent	---	---	5,560
Total Increases	---	33	24,551
Decreases			
Realignment of NSSE funding to Special Events Fund Account			(2,500)
Termination of one-time costs (Katrina Supplemental)	---	---	(3,600)
Total Decreases	---	---	(6,100)
Total Adjustments-to-Base	---	**33**	**18,451**
2007 Current Services	**6,597**	**6,597**	**1,218,278**
Program Changes			
Program Increases/(Decreases)			
Protection			
Former President Bush Detail	31	16	5,000
ProtectiveTerrorist Countermeasures	---	---	17,200
Total Program Changes	**31**	**16**	**22,200**
2007 Request	**6,628**	**6,613**	**1,240,478**
2006 to 2007 Total Change	**31**	**49**	**40,651**

B: FY 2006 to FY 2007 Budget (Mandatory)

Department of Homeland Security
United States Secret Service
Salaries and Expenses: Mandatory
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual			$ 187,869
2006 Revised Enacted			$ 200,000
Adjustments-to-Base			
Total Adjustments-to-Base			
2007 Current Services			$ 200,000
Program Changes			
Program Increases/(Decreases)			
Total Program Changes			
2007 Request			$ 200,000

C. Summary of Requirements

Department of Homeland Security
U.S. Secret Service
Salaries and Expenses
Summary of Requirements
(Dollars in Thousands)

	2007 FB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	4,544	4,428	$1,164,719
2006 Revised Enacted	4,597	4,564	1,199,827
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	--	33	24,551
Decreases	--	--	(2,500)
Realignments-to-Base	--	--	(3,600)
Total 2007 Base	--	33	18,451
2007 Current Services	4,597	4,597	1,218,278
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	31	16	22,200
2007 Total Request	4,628	4,613	1,240,478
2006 to 2007 Total Change	31	49	40,651

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Realignments-to-Base			2007 Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Protection of persons and facilities	3,350	3,332	$970,249	24	38	$15,155	65	65	$23,143	3,439	3,435	$617,547	33	16	$ 22,200	3,466	3,451	$ 639,747	116	119	$63,498
2 National Special Security Events			2,500			(2,500)				--	--	-				-	-	-	--	--	(2,500)
3 Protective intelligence	472	472	36,215		4	1,349			(2,055)	472	476	35,509				476	476	35,509	4	4	(706)
4 White House Mail			16,201							--		16,201				-	-	16,201	--	--	--
5 Domestic field operations	1,621	1,621	241,301	(23)	(23)	(2,210)	85	85	(2,998)	1,683	1,683	236,093				1,683	1,683	236,093	62	62	(5,208)
6 International field office administration operations	78	75	20,968		3	459	4	4	189	82	82	21,616				82	82	21,616	4	3	648
7 Electronic Crimes Special Agent program																					
and Electronic Crimes Task Forces	289	277	39,600	(1)	11	2,014	12	12	2,465	300	300	44,079				300	300	44,079	11	23	4,479
8 Headquarters, management and administration	487	487	198,643			3,265	(159)	(159)	(32,540)	328	328	169,370				328	328	169,370	(159)	(159)	(29,273)
9 National Center for Missing and Exploited Children	20	20	7,811							20	20	7,811				20	20	7,811	--	--	--
10 Rowley Training Center	280	280	46,337			919	(7)	(7)	2,796	273	273	50,052				273	273	50,052	(7)	(7)	3,715
Total	6,597	6,564	$1,199,827	--	33	$18,451	--	--	$0	6,597	6,597	1,218,278	33	16	$22,200	6,628	6,613	$1,240,478	31	48	$40,651

C. Summary of Requirements (Mandatory)

Department of Homeland Security
U.S. Secret Service
Salaries and Expenses: Mandatory
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	**$187,869**
2006 Revised Enacted			**200,000**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Total Adjustments-to-Base	---	---	---
2007 Current Services	---	---	**200,000**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)			
2007 Total Request	---	---	**200,000**
2006 to 2007 Total Change	---	---	---

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Protection of persons and facilities			$104,378			$2,163						$106,541	---	---	$2,163
2 National Special Security Events			---			---						---	---	---	---
3 Protective Intelligence			8,810			$182						8,992	---	---	182
4 White House Mail			---			---						---	---	---	---
5 Domestic field operations			34,504			$3,733						38,237	---	---	3,733
6 International field office administration operations			3,577			($23)						3,554	---	---	(23)
7 Electronic Crimes Special Agent program													---	---	---
and Electronic Crimes Task Forces			5,454			$1,685						7,139	---	---	1,685
8 Headquarters management and administration			35,055			($7,624)						27,431	---	---	(7,624)
9 National Center for Missing and Exploited Children													---	---	---
10 Rowley Training Center			8,222			($116)						8,106	---	---	(116)
Total	---	---	$200,000	---	---	$0	---	---	$0	---	---	$200,000	---	---	$0

Note: The Mandatory fund has no 2007 Realignment-to-Base.

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D. Summary of Reimbursable Resources

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Summary of Reimbursable Resources
(Dollars in Thousands)

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Collections by Source	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
Air Force						$ 200			$ 200			$ -
Army			$ 100			300			300			$ -
Navy (Group1)						25			25			$ -
Navy (Group 2)						35			35			$ -
Department of Education			200									$ -
Department of State			292			1,243			1,243			$ -
Department of Treasury			10,837	30	15	21,610	30	15	21,726			$ 116
Department of Homeland Security			1,707									$ -
Total Budgetary Resources			$ 13,136	30	15	$ 23,413	30	15	$ 23,529			$ 116

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Obligations by PPA	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
Protection												
Protection of persons and facilities			$ 1,960	30	15	$ 4,660	30	15	$ 4,776			$ 116
Field Operations												
Domestic field operations			9,980			17,312			17,312			-
International field office administration, operations and training			9									
Electronic Crimes Special Agent program and Electronic Crimes Task Forces			512			875			875			-
Administration			675									
Headquarters, Management and Administration						566			566			-
Training												
Rowley Training Center												
Total Obligations:			$ 13,136	30	15	$ 23,413	30	15	$ 23,529			$ 116

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E. Summary of Requirements by Object Class

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$428,152	$484,029	$503,269	$19,240
11.3 Other than full-time permanent	3,216	4,942	4,205	(737)
11.5 Other Personnel Compensation	186,450	108,488	113,609	5,121
12.1 Benefits	210,611	209,458	236,080	26,622
Total, Personnel Comp. & Benefits	**$828,429**	**$806,917**	**$857,163**	**$50,246**
Other Object Classes:				
21.0 Travel	105,747	99,701	91,549	(8,152)
22.0 Transportation of things	6,528	6,594	6,036	(558)
23.1 GSA rent	70,449	65,771	74,848	9,077
23.2 Other rent	2,907	694	694	---
23.3 Communications, utilities, & other misc. charges	21,085	28,908	23,857	(5,051)
24.0 Printing and reproduction	734	1,089	620	(469)
25.2 Other services	69,261	128,503	121,762	(6,741)
26.0 Supplies and materials	15,947	14,137	16,677	2,540
31.0 Equipment	26,826	38,422	29,709	(8,713)
32.0 Land & structures	10,375	16,654	12,018	(4,636)
41.0 Grants/Subsidies/Contributions	5,154	5,445	5,445	---
42.0 Indemnity	1,283	56	100	44
43.0 Interest & dividends	12			
92.0 Object of Revenue	(18)			
Total, Other Object Classes	**336,290**	**$405,974**	**383,315**	**($22,659)**
Total, Direct Obligations	**$1,164,719**	**$1,212,891**	**$1,240,478**	**$27,587**
Unobligated balance, start of year	(8,543)	(13,064)		
Unobligated balance, end of year	13,064			
Appropriation permanently reduced	750			
Unobligated balance expiring or withdrawn	2,135			
Total requirements	**$1,172,125**	**$1,199,827**	**$1,240,478**	

E. Summary of Requirements by Object Class

Department of Homeland Security
United States Secret Service
Mandatory
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation				$0
12.1 Benefits	$ 187,869	$ 222,131	$ 200,000	(22,131)
Total, Personnel Comp. & Benefits	**$187,869**	**$222,131**	**$200,000**	**($22,131)**
Total, Direct Obligations	**$ 187,869**	**$ 222,131**	**$ 200,000**	**$ (22,131)**
Unobligated balance, start of year		(22,131)		
Unobligated balance, end of year	22,131			
Total requirements	**$ 210,000**	**$ 200,000**	**$ 200,000**	

F. Permanent Positions by Grade

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	41	39	39	0
Total, EX	0	0	0	0
GS-15	196	199	199	0
GS-14	561	566	566	0
GS-13	2,104	1,921	1,921	0
GS-12	529	503	503	0
GS-11	485	497	497	0
GS-10	68	74	74	0
GS-09	438	575	606	31
GS-08	221	246	246	0
GS-07	294	277	277	0
GS-06	38	53	53	0
GS-05	60	74	74	0
GS-04	71	98	98	0
GS-03	29	46	46	0
GS-02	17	40	40	0
Other Graded Positions	1,392	1,389	1,389	0
Ungraded Positions				0
Total Permanent Positions	**6,544**	**6,597**	**6,628**	**31**
Unfilled Positions EOY				0
Total Perm. Employment EOY	6,544	6,597	6,628	31
FTE	**6,428**	**6,564**	**6,613**	**49**
Headquarters	3,705	3,715	3,715	
U.S. Field	2,774	2,804	2,835	
Foreign Field	65	78		
Total Permanent Positions	**6,544**	**6,597**	**6,550**	
Average ES Salary	$ 149,946	$ 153,815	$ 157,091	$ 3,277
Average GS Salary	$ 71,124	$ 72,959	$ 74,513	$ 1,554
Average GS Grade	11.58	11.31	11.32	0.01

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Protection
Funding Schedule
(Dollars in Thousands)

PPA: Protection of Persons and Facilities		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$365,497	$307,288	$351,694	$44,406
12.1	Benefits	119,353	115,801	133,065	17,264
12.1	Benefits-mandatory	90,847	104,378	106,541	2,163
21.0	Travel	69,992	55,973	56,798	825
22.0	Transportation of things	245	396	353	(43)
23.1	GSA rent	29,095	26,147	31,400	5,253
23.3	Communication, Utililities, and misc charges	10,390	2,420	9,925	7,505
24.0	Printing	65	50	50	---
25.2	Other Services	6,028	35,745	26,070	(9,675)
26.0	Supplies & materials	6,194	5,805	6,662	857
31.0	Equipment	9,943	19,095	19,741	646
32.0	Land & Structures	3,025	1,526	3,923	2,397
42.0	Indemnity	26	3	66	63
Total, Protection of Persons and Facilities		**$710,700**	**$674,627**	**$746,288**	**$71,661**
Full Time Equivalents		3,463	3,348	3,451	103

PPA Mission Statement

Protection of Persons and Facilities - Secure the physical safety of the President, Vice President, their families, and other individuals as designated by statute and facilities under our protection from all threats. Secure the physical safety of visiting heads of state, heads of government, and their spouses, and other distinguished visitors to the United States as directed by the President. Provide external security to foreign diplomatic embassies and missions in the Washington, DC area (and other limited areas, consistent with statute). Secure the physical safety of Presidential and Vice Presidential nominees, candidates, and spouses.

In order to protect our Nation's leaders, the Secret Service operates to ensure protectees' physical protection and to protect the buildings and grounds where they reside and work. The requested amount addresses the following USSS strategic challenges: terrorists' sustained motivation to attack U.S. interests (including its leaders), and the increasing technological sophistication of the threat environment.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$575,697**	**$527,467**	**$591,300**	**$63,833**

Salaries and Benefits includes costs for 3,451 FTEs, including 16 FTE resulting from a program increase for the President Bush Post-Presidency Detail. The FY 2007 request includes an increase of $8,026,000 in pay annualization, $1,334,000 in second-year annualization of positions, and $2,039,000 resulting from the President Bush post-presidency detail. Includes $106,541,000 for Mandatory Retirement, a $2,163,000 increase from FY 2006. Proposed realignments to the base of $50,271,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$69,992**	**$55,973**	**$56,798**	**$825**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $219,000 in second-year annualization of positions, $792,000 in non-pay inflation, and $747,000 for the President Bush post-presidency detail. Proposed realignments to the base of ($933,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$245**	**$396**	**$353**	**($43)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $58,000 in non-pay inflation and $116,000 for the for the President Bush post-presidency detail. Proposed realignments to the base of ($217,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$29,095**	**$26,147**	**$31,400**	**$5,253**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $158,000 in second-year annualization of positions, $586,000 in non-pay inflation, and $145,000 for the President Bush post-presidency detail. Proposed realignments to the base of $4,364,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous	**$10,390**	**$2,420**	**$9,925**	**$7,505**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $265,000 in non-pay inflation and $51,000 for the President Bush post-presidency detail. Proposed realignments to the base of $7,189,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$65**	**$50**	**$50**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $14,000 in second-year annualization of positions, a $9,000 increase in non-pay inflation, and a $14,000 increase for the President Bush post-presidency detail. Proposed realignments to the base of ($9,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$6,028**	**$35,745**	**$26,070**	**($9,675)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a decrease of $128,000 in second-year annualization of positions, a $1,120,000 increase in non-pay inflation, a $407,000 increase for the President Bush post-presidency detail, and a $4,050,000 increase for protective terrorist countermeasures. Proposed realignments to the base of ($15,124,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$6,194**	**$5,805**	**$6,662**	**$857**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $9,000 in second-year annualization of positions, $125,000 in non-pay inflation, and $87,000 for the President Bush post-presidency detail. Proposed realignments to the base of $636,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$9,943**	**$19,095**	**$19,741**	**$646**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $953,000 in second-year annualization of positions, a $399,000 increase in non-pay inflation, a $1,394,000 increase for the President Bush post-presidency detail, and a $13,150,000 increase for protective terrorist countermeasures. Proposed realignments to the base of ($13,344,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$3,025**	**$1,526**	**$3,923**	**$2,397**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $148,000 in non-pay inflation. Proposed realignments to the base of $2,249,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$26**	**$3**	**$66**	**$63**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes an increase of $1,000 in non-pay inflation. Proposed realignments to the base of $62,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
National Special Security Events
Funding Schedule
(Dollars in Thousands)

PPA: National Special Security Events		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$666	$1,000		($1,000)
21.0	Travel	1,600	1,500		(1,500)
32.0	Land & Structures	300			---
Total, National Special Security Events		**$2,566**	**$2,500**	**$0**	**($2,500)**
Full Time Equivalents					---

PPA Mission Statement

National Special Security Events - Plan and implement security designs for designated National Special Security Events (NSSEs). Ensure the physical protection of the President, the public, and other Secret Service protectees who participate in NSSEs.

Security at NSSEs is strategically crucial to homeland security in that NSSEs, by definition, involve persons, institutions, and landmarks that are integral to the governance of the Nation, vital to national and/or global economic stability, or symbolically important to American citizens. The requested amount provides funding for the design, coordination, and implementation of operational security plans for NSSEs.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$666**	**$1,000**	**$0**	**($1,000)**

Salaries and Benefits includes overtime payments to provide security at National Special Security Events.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$1,600**	**$1,500**	**$0**	**($1,500)**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$300**	**$0**	**$0**	**$0**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Protective Intelligence
Funding Schedule
(Dollars in Thousands)

PPA: Protection - Protective Intelligence		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$33,706	$30,469	$35,027	$4,558
12.1	Benefits	12,079	10,726	12,890	2,164
12.1	Benefits-mandatory	9,797	8,810	8,992	182
21.0	Travel	115	7,146	273	(6,873)
22.0	Transportation of things	5	9	10	1
23.1	GSA rent	5,688	5,802	6,184	382
23.3	Communication, Utililities, and misc charges	207	263	217	(46)
24.0	Printing	---	5	3	(2)
25.2	Other Services	117	808	308	(500)
26.0	Supplies & materials	400	325	466	141
31.0	Equipment	75	525	104	(421)
32.0	Land & Structures		137	27	(110)
Total, Protective Intelligence		**$62,189**	**$65,025**	**$64,501**	**($524)**
Full Time Equivalents		466	456	476	20

PPA Mission Statement

Protective Intelligence - Investigate subjects (individuals and groups) and activities that pose threats to protectees and protected events.

The Secret Service analyzes threats, investigates threats, and conducts intelligence advances in order to minimize the risk of harm to protected persons, property, and events. The requested amount funds these activities in a strategic environment characterized by terrorists' sustained motivation to attack these targets, and by the increasingly technological sophistication of the threat environment.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$55,582**	**$50,005**	**$56,909**	**$6,904**

Salaries and Benefits includes costs for 476 FTEs. The FY 2007 request includes an increase of $692,000 in pay annualization and $434,000 in second-year annualization of positions. Includes $8,992,000 for Mandatory Retirement, a $182,000 increase from FY 2006. Proposed realignments to the base of $5,596,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$115**	**$7,146**	**$273**	**($6,873)**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $17,000 in second-year annualization of positions and $69,000 in non-pay inflation. Proposed realignments to the base of ($6,959,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$5**	**$9**	**$10**	**$1**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $5,000 in non-pay inflation. Proposed realignments to the base of ($4,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$5,688**	**$5,802**	**$6,184**	**$382**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $34,000 in second-year annualization of positions and $51,000 in non-pay inflation. Proposed realignments to the base of $297,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous	**$207**	**$263**	**$217**	**($46)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $23,000 in non-pay inflation. Proposed realignments to the base of ($69,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$5**	**$3**	**($2)**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes an increase of $1,000 in non-pay inflation. Proposed realignments to the base of ($3,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$117**	**$808**	**$308**	**($500)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a decrease of $42,000 in second-year annualization of positions and a $97,000 increase in non-pay inflation. Proposed realignments to the base of ($555,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$400**	**$325**	**$466**	**$141**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $3,000 in second-year annualization of positions and $11,000 in non-pay inflation. Proposed realignments to the base of $127,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$75**	**$525**	**$104**	**($421)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $92,000 in second-year annualization of positions and a $35,000 increase in non-pay inflation. Proposed realignments to the base of ($364,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$137**	**$27**	**($110)**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $13,000 in non-pay inflation. Proposed realignments to the base of ($123,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
White House Mail Screening
Funding Schedule
(Dollars in Thousands)

PPA: Protection - White House Mail Screening	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:				
25.2 Other Services	16,365	16,201	16,201	---
Total, White House Mail Screening	**$16,365**	**$16,201**	**$16,201**	**$0**
Full Time Equivalents				---

PPA Mission Statement

White House Mail Screening - Screen White House Mail to ensure it is free of harmful toxins.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$16,365**	**$16,201**	**$16,201**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Field Operations
Funding Schedule
(Dollars in Thousands)

PPA: Field Operations, Domestic Field Operations		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$112,215	$132,297	$133,453	$1,156
12.1	Benefits	40,608	52,460	52,697	237
12.1	Benefits-mandatory	36,629	34,504	38,237	3,733
21.0	Travel	6,160	8,155	10,567	2,412
22.0	Transportation of things	1	205	42	(163)
23.1	GSA rent	22,597	21,974	23,505	1,531
23.3	Communication, Utilities, and misc charges	224	771	230	(541)
24.0	Printing	6	195	5	(190)
25.2	Other Services	6,461	12,845	8,016	(4,829)
26.0	Supplies & materials	2,996	2,784	3,142	358
31.0	Equipment	1,879	5,150	1,971	(3,179)
32.0	Land & Structures	2,020	4,463	2,465	(1,998)
42.0	Indemnity		2		(2)
Total, Domestic Field Operations		**$231,796**	**$275,805**	**$274,330**	**($1,475)**
Full Time Equivalents		1,559	1,653	1,683	30

PPA Mission Statement

Domestic Field Operations - Investigate violations of laws relating to counterfeiting of obligations and securities of the United States; investigate financial crimes that include, but are not limited to, financial institution fraud, identity theft, and money laundering.

Domestic field resources are focused on achieving DHS' strategic objective of economic security. The field also provides a "surge capacity" of protective function in the event of protectees' travel. The requested amount funds field offices nationwide in a strategic context of: the worldwide spread of the internet and other consumer-friendly technologies that facilitate electronic commerce and the increasing criminal exploitation of those technologies.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$189,452**	**$219,261**	**$224,387**	**$5,126**

Salaries and Benefits includes costs for 1,683 FTEs. The FY 2007 request includes an increase of $2,845,000 in pay annualization. Includes $38,237,000 for Mandatory Retirement, a $3,733,000 increase from FY 2006. Also includes a $1,440,000 decrease to non-recur the FY 2006 Emergency Hurricane Katrina Supplemental. Proposed realignments to the base of ($12,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$6,160**	**$8,155**	**$10,567**	**$2,412**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes $282,000 in non-pay inflation and a $680,000 decrease to non-recur the FY 2006 Emergency Hurricane Katrina Supplemental. Proposed realignments to the base of $2,810,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$1**	**$205**	**$42**	**($163)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes $21,000 in non-pay inflation. Proposed realignments to the base of ($184,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$22,597**	**$21,974**	**$23,505**	**$1,531**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $209,000 in non-pay inflation. Proposed realignments to the base of $1,322,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous	**$224**	**$771**	**$230**	**($541)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes $94,000 in non-pay inflation and a $45,000 decrease to non-recur the FY 2006 Emergency Hurricane Katrina Supplemental. Proposed realignments to the base of ($590,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$6**	**$195**	**$5**	**($190)**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes $3,000 in non-pay inflation. Proposed realignments to the base of ($193,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$6,461**	**$12,845**	**$8,016**	**($4,829)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes $398,000 in non-pay inflation. Proposed realignments to the base of ($5,227,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$2,996**	**$2,784**	**$3,142**	**$358**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes $44,000 in non-pay inflation and a $175,000 decrease to non-recur the FY 2006 Emergency Hurricane Katrina Supplemental. Proposed realignments to the base of $489,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,879**	**$5,150**	**$1,971**	**($3,179)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes $142,000 in non-pay inflation and a $1,260,000 decrease to non-recur the FY 2006 Emergency Hurricane Katrina Supplemental. Proposed realignments to the base of ($2,061,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$2,020**	**$4,463**	**$2,465**	**($1,998)**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes $53,000 in non-pay inflation. Proposed realignments to the base of ($2,051) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$0**	**$2**	**$0**	**($2)**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. Proposed realignments to the base of ($2,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
International Field Operations
Funding Schedule
(Dollars in Thousands)

PPA: International Field Operations		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$6,263	$5,645	$5,555	($90)
12.1	Benefits	4,880	3,635	4,163	528
12.1	Benefits-mandatory	3,637	3,577	3,554	(23)
21.0	Travel	3,019	2,902	2,133	(769)
22.0	Transportation of things	23	351	32	(319)
23.1	GSA rent	---	1,397	2,520	1,123
23.3	Communication, Utilities, and misc charges	214	42	124	82
24.0	Printing	---	3	---	(3)
25.2	Other Services	4,110	5,984	6,688	704
26.0	Supplies & materials	171	178	111	(67)
31.0	Equipment	648	822	147	(675)
32.0	Land & Structures	124	9	143	134
Total, International Field Operations		**$23,089**	**$24,545**	**$25,170**	**$625**
Full Time Equivalents		60	79	82	3

PPA Mission Statement

Field Operations, International Field Operations - Provide a comprehensive, internationall-coordinated response to new threats to the integrity of U.S. currency and other transnational crimes.

International field resources are focused on achieving DHS' strategic objective of economic security (e.g., foreign counterfeiting of U.S. currency). These field offices also provide a "surge capacity" of protective function in the event of protectees' travel abroad. The requested amount funds field offices in 15 countries in a strategic context of: the worldwide spread of the internet and other consumer-friendly technologies that facilitate electronic commerce, the increasing criminal exploitation of those technologies, and dollarization (when a foreign country replaces its national currency with the U.S. dollar).

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$14,780**	**$12,857**	**$13,272**	**$415**

Salaries and Benefits includes costs for 82 FTEs. The FY 2007 request includes an increase of $268,000 in pay annualization and $326,000 in second-year annualization of positions. Includes $3,554,000 for Mandatory Retirement, a $23,000 decrease from FY 2006. Proposed realignments to the base of ($156,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$3,019**	**$2,902**	**$2,133**	**($769)**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $10,000 in second-year annualization of positions and $27,000 in non-pay inflation. Proposed realignments to the base of ($806,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$23**	**$351**	**$32**	**($319)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $2,000 in non-pay inflation. Proposed realignments to the base of ($321,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$1,397**	**$2,520**	**$1,123**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $42,000 in second-year annualization of positions and $20,000 in non-pay inflation. Proposed realignments to the base of $1,061,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous	**$214**	**$42**	**$124**	**$82**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $9,000 in non-pay inflation. Proposed realignments to the base of $73,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$3**	**$0**	**($3)**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $3,000 in second-year annualization of positions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$4,110**	**$5,984**	**$6,688**	**$704**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a decrease of $30,000 in second-year annualization of positions and a $37,000 increase in non-pay inflation. Proposed realignments to the base of $697,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$171**	**$178**	**$111**	**($67)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $4,000 in second-year annualization of positions and $4,000 in non-pay inflation. Proposed realignments to the base of ($75,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$648**	**$822**	**$147**	**($675)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $275,000 in second-year annualization of positions and a $13,000 increase in non-pay inflation. Proposed realignments to the base of ($413,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$124**	**$9**	**$143**	**$134**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $5,000 in non-pay inflation. Proposed realignments to the base of $129,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Electronic Crimes Special Agent Program/Electronic Crimes Task Forces
Funding Schedule
(Dollars in Thousands)

PPA: ECSAP/ECTF		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$20,764	$24,417	$25,565	$1,148
12.1	Benefits	8,102	10,075	10,348	273
12.1	Benefits-mandatory	6,700	5,454	7,139	1,685
21.0	Travel	288	1,027	928	(99)
22.0	Transportation of things	70	169	89	(80)
23.1	GSA rent	3,905	589	4,373	3,784
23.3	Communication, Utilities, and misc charges	40	26	43	17
24.0	Printing		32		(32)
25.2	Other Services	612	754	862	108
26.0	Supplies & materials	385	318	646	328
31.0	Equipment	1,421	2,181	946	(1,235)
32.0	Land & Structures	241	12	279	267
Total, ECSAP/ECTF		**$42,528**	**$45,054**	**$51,218**	**$6,164**
Full Time Equivalents		268	241	300	59

PPA Mission Statement

Electronic Crimes Special Agent Program (ECSAP) Electronic Crimes Task Forces (ECTF) - Through the ECSAP, train special agents to detect network intrusions and conduct examinations on all types of electronic evidence, including computers, personal data assistants, telecommunications devices, electronic organizers, scanners, and other electronic equipment. Through the ECTF, form partnerships with private industry, academia, other federal law enforcement, and state and local law enforcement to revent, detect, mitigate, and aggressively investigate attacks on our nation's financial infrastructures.

The ECSAP Program and ECTFs combat those who seek to defraud financial institutions or private industry through electronic or digital media. The requested amount funds these entities in a strategic environment characterized by a rise in electronic financial transactions and associated criminal activity.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$35,566**	**$39,946**	**$43,052**	**$3,106**

Salaries and Benefits includes costs for 300 FTEs. The FY 2007 request includes an increase of $536,000 in pay annualization, $1,162,000 in second-year annualization of positions, and $1,285,000 in third-year annualization of positions. Includes $7,139,000 for Mandatory Retirement, a $1,685,000 increase from FY 2006. Proposed realignments to the base of ($1,562,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

1285	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$288**	**$1,027**	**$928**	**($99)**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $37,000 in second-year annualization of positions and $53,000 in non-pay inflation. Proposed realignments to the base of ($189,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$70**	**$169**	**$89**	**($80)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $4,000 in non-pay inflation. Proposed realignments to the base of ($84,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$3,905**	**$589**	**$4,373**	**$3,784**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $150,000 in second-year annualization of positions and $39,000 in non-pay inflation. Proposed realignments to the base of $3,595,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous	**$40**	**$26**	**$43**	**$17**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $17,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$32**	**$0**	**($32)**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $12,000 in second-year annualization of positions and a $1,000 increase in non-pay inflation. Proposed realignments to the base of ($21,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$612**	**$754**	**$862**	**$108**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a decrease of $107,000 in second-year annualization of positions, a decrease of $5,000 in third-year annualization of positions, and a $75,000 increase in non-pay inflation. Proposed realignments to the base of $145,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$385**	**$318**	**$646**	**$328**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $15,000 in second-year annualization of positions and $8,000 in non-pay inflation. Proposed realignments to the base of $305,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,421**	**$2,181**	**$946**	**($1,235)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $982,000 in second-year annualization of positions and a $27,000 increase in non-pay inflation. Proposed realignments to the base of ($280,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$241**	**$12**	**$279**	**$267**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes an increase of $10,000 in non-pay inflation. Proposed realignments to the base of $257,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Administration
Funding Schedule
(Dollars in Thousands)

	PPA: Administration - HQ, Mgmnt, and Admin	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$52,993	$53,013	$41,315	($11,698)
12.1	Benefits	17,601	21,087	12,914	(8,173)
12.1	Benefits-mandatory	32,208	35,055	27,431	(7,624)
21.0	Travel	18,729	11,856	14,242	2,386
22.0	Transportation of things	6,131	5,237	5,452	215
23.1	GSA rent	8,173	9,878	8,159	(1,719)
23.3	Communication, Utilities, and misc charges	11,971	24,827	10,750	(14,077)
24.0	Printing	663	724	560	(164)
25.2	Other Services	34,272	24,063	60,723	36,660
26.0	Supplies & materials	5,234	3,484	4,380	896
31.0	Equipment	11,258	33,936	5,685	(28,251)
32.0	Land & Structures	4,664	10,490	5,156	(5,334)
42.0	Indemnity	1,251	50	34	(16)
	Total, Admin - HQ, Mgmnt, and Admin	**$205,148**	**$233,700**	**$196,801**	**($36,899)**
Full Time Equivalents		317	487	328	(159)

PPA Mission Statement

Headquarters, Management, and Administration - Plan, direct, and coordinate the administrative functions and programs of the Secret Service including the areas of budget, finance, logistics, procurement, management of property and facilities, administrative functions, and management and program analysis.

Requested funding provides headquarters support to the agency's protective and investigative missions in an environment of increased threat. In the strategic context of industry-wide law enforcement:support ratios, the Secret Service is highly efficient.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$102,802**	**$109,155**	**$81,660**	**($27,495)**

Salaries and Benefits includes costs for 328 FTEs. The FY 2007 request includes an increase of $2,271,000 in pay annualization. Includes $27,431,000 for Mandatory Retirement, a $7,624,000 decrease from FY 2006. Proposed realignments to the base of ($22,142,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$18,729**	**$11,856**	**$14,242**	**$2,386**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes $225,000 in non-pay inflation. Proposed realignments to the base of $2,161,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$6,131**	**$5,237**	**$5,452**	**$215**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes $17,000 in non-pay inflation. Proposed realignments to the base of $198,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$8,173**	**$9,878**	**$8,159**	**($1,719)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $166,000 in non-pay inflation. Proposed realignments to the base of ($1,885,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous	**$11,971**	**$24,827**	**$10,750**	**($14,077)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes $75,000 in non-pay inflation. Proposed realignments to the base of ($14,152,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$663**	**$724**	**$560**	**($164)**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes $3,000 in non-pay inflation. Proposed realignments to the base of ($167,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$34,272**	**$24,063**	**$60,723**	**$36,660**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes $318,000 in non-pay inflation. Proposed realignments to the base of ($281,340) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$5,234**	**$3,484**	**$4,380**	**$896**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes $35,000 in non-pay inflation. Proposed realignments to the base of $861,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$11,258**	**$33,936**	**$5,685**	**($28,251)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes $113,000 in non-pay inflation. Proposed realignments to the base of ($141,251) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$4,664**	**$10,490**	**$5,156**	**($5,334)**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes $42,000 in non-pay inflation. Proposed realignments to the base of ($47,334) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$1,251**	**$50**	**$34**	**($16)**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. Proposed realignments to the base of ($16,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
National Center for Missing and Exploited Children
Funding Schedule
(Dollars in Thousands)

PPA: Administration - NCMEC		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$1,226	$1,300	$1,300	$0
12.1	Benefits	720	777	777	---
22.0	Transportation of things		3	3	---
25.2	Other Services		27	27	---
26.0	Supplies & materials		44	44	---
31.0	Equipment		215	215	---
41.0	Grants/Subsidies/Contributions	5,154	5,445	5,445	---
Total, Administration - NCMEC		**$7,100**	**$7,811**	**$7,811**	**$0**
Full Time Equivalents		20	20	20	---

PPA Mission Statement

National Center for Missing and Exploited Children - Language contained in the Violent Crime Reduction Trust Fund legislation in 1995 directed the U. S. Secret Service to provide forensic support to the National Center for Missing and Exploited Children (NCMEC). Since that time, forensic support has included polygraph examinations, handwriting examinations, voiceprint comparisons, audio and video enhancements, age progressions/regressions, and fingerprint research and identification.

Requested funding provides state of the art forensics support to the National Center for Missing and Exploited Children. In a strategic context characterized by predators determined to abuse the nation's children, the Secret Service's technologies provide critical support to associated investigations.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$1,946	$2,077	$2,077	$0

Salaries and Benefits includes costs for 20 FTEs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	$0	$3	$3	$0

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$0	$27	$27	$0

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$0	$44	$44	$0

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$215**	**$215**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$5,154**	**$5,445**	**$5,445**	**$0**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects.

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Salaries and Expenses
Training
Funding Schedule
(Dollars in Thousands)

PPA: Training - Rowley Training Center		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$24,489	$26,226	$27,176	$950
12.1	Benefits	7,270	8,666	9,228	562
12.1	Benefits-mandatory	8,052	8,222	8,106	(116)
21.0	Travel	5,843	2,631	6,609	3,978
22.0	Transportation of things	52	225	54	(171)
23.1	GSA rent	990	1,177	1,103	(74)
23.3	Communication, Utilities, and misc charges	946	56	866	810
24.0	Printing	---	78	2	(76)
25.2	Other Services	1,295	4,559	2,867	(1,692)
26.0	Supplies & materials	1,068	1,201	1,223	22
31.0	Equipment	1,103	1,498	899	(599)
32.0	Land & Structures		19	25	6
42.0	Indemnity		1		(1)
Total, Training - Rowley Training Center		**$51,108**	**$54,559**	**$58,158**	**$3,599**
Full Time Equivalents		275	280	273	(7)

PPA Mission Statement

Rowley Training Center - Ensure Secret Service employees possess the skills and knowledge to successfully accomplish the protective and investigative missions. Assist employees in maimizing their potential and be able to meet the challenges of the 21st century. Provide innovative training opportunities that emphasize risk management and the judgement skills needed to support the Service's mission.

Requested funding will ensure that the Secret Service's most important resource - its employees - has the knowledge and skills needed to meet the demands of the Service's protective and investigative mission. In a strategic context of heightened threat, the Service must ensure that its training outpaces the threat environment.

H. PPA Budget Justifications

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$39,811**	**$43,114**	**$44,510**	**$1,396**

Salaries and Benefits includes costs for 273 FTEs. The FY 2007 request includes an increase of $639,000 in pay annualization. Includes $8,106,000 for Mandatory Retirement, a $116,000 decrease from FY 2006. Proposed realignments to the base of $873,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$5,843**	**$2,631**	**$6,609**	**$3,978**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes $63,000 in non-pay inflation. Proposed realignments to the base of $3,915,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$52**	**$225**	**$54**	**($171)**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes $5,000 in non-pay inflation. Proposed realignments to the base of ($176,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$990**	**$1,177**	**$1,103**	**($74)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $47,000 in non-pay inflation. Proposed realignments to the base of ($121,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous	**$946**	**$56**	**$866**	**$810**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes $22,000 in non-pay inflation. Proposed realignments to the base of $788,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$78**	**$2**	**($76)**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes $1,000 in non-pay inflation. Proposed realignments to the base of ($77,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,295**	**$4,559**	**$2,867**	**($1,692)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes $89,000 in non-pay inflation. Proposed realignments to the base of ($1,781,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$1,068**	**$1,201**	**$1,223**	**$22**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes $10,000 in non-pay inflation. Proposed realignments to the base of $12,000 were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,103**	**$1,498**	**$899**	**($599)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes $32,000 in non-pay inflation. Proposed realignments to the base of ($631,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$19**	**$25**	**$6**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes $12,000 in non-pay inflation. Proposed realignments to the base of ($6,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$0**	**$1**	**$0**	**($1)**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. Proposed realignments to the base of ($1,000) were made based on actual FY 2005 spending, adjusted for non-recurring costs, which more accurately projects anticipated FY 2007 spending by PPA.

I. Schedule of Working Capital Fund

Department of Homeland Security
United States Secret Service
Salaries and Expenses Appropriation
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Protection of persons and facilities	$4,674	$2,361	$2,724	$363
National special security event fund	---	---	---	---
Protective intelligence activities	320	195	198	3
White House mail screening	---	---	---	---
Domestic Field Operations	1,238	887	890	3
International field office administration operations and training	119	73	77	4
Electronic crimes special agent program and electronic crimes task force	219	138	157	19
Headquarters, management and adminstration	2,188	2,182	2,374	192
National Center for Missing and Exploited Children	0	0	0	0
Rowley training center	463	680	1,121	441
Total Working Capital Fund	**$9,221**	**$6,516**	**$7,541**	**$1,025**

Note: CIO assumed control of the Microsoft contract and the amount for the USSS reflects prior year obligations totaling $1.843 ($1.41 million in FY 2004 funds and $433 thousand in FY 2003 funds).

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Department of Homeland Security

United States Secret Service

Acquisition, Construction, Improvements and Related Expenses

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

UNITED STATES SECRET SERVICE
Acquisition, Construction, Improvements and Related Expenses

I. Appropriation Overview

A. Mission Statement for Appropriation Name:

The United States Secret Service (USSS) performs two critical homeland security missions: protection and criminal investigations. The Service protects the President and Vice President, their families, visiting heads-of-state/government, and other designated individuals, such as the Secretary of Homeland Security; investigates threats against these protectees; protects the White House, Vice President's Residence, Foreign Missions, and other designated buildings within the Washington, D.C. area; and designs, coordinates, and implements operational security plans for designated National Special Security Events. USSS investigates violations of laws relating to: counterfeiting of obligations and securities of the United States; financial crimes such as access device fraud, financial institution fraud, identity theft, and computer fraud; and computer-based attacks on our nation's financial, banking, and telecommunications infrastructure. In order to accomplish both its protective and investigative missions, the Service has offices located throughout the United States and in 15 foreign countries. Employees are predominantly special agents, uniformed officers, and support personnel.

B. Budget Activities:

Rowley Training Center

The Acquisition, Construction, Improvements, and Related Expenses account is used to maintain the Rowley Training Center, which supports protection and criminal investigation missions.

C. Budget Request Summary:

USSS requests $3,725,000 to maintain the Rowley Training Center located in Beltsville, Maryland.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
United States Secret Service
Acquisitions, Construction, Improvements, and Related Expenses
FY 2006 to FY 2007 Budget Change
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Acquisition, Construction, Improvements and Related Expenses		2,835		3,662		3,725	---	63			---	63
Subtotal, Enacted Appropriations and Budget Estimates	---	**$2,835**	---	**$3,662**	---	**$3,725**	---	**$63**	---	**$0**	---	**$63**
Adjustments for Other Funding Sources		**$798**										
Net, Enacted Appropriations and Budget Estimates	---	$3,633	---	**$3,662**	---	**$3,725**	---	**$63**	---	**$0**	---	**$63**

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Secret Service
Acquisition, Construction, Improvements, and Related Expensess
Program Performance Justification
(Dollars in thousands)

PPA: ACQUISITION, CONSTUCTION, IMPROVEMENTS AND RELATED EXPENSES

	Perm. Pos.	FTE	Amount
2005 Actual			**$2,835**
2006 Revised Enacted			**$3,662**
2007 Adjustments to Base			63
2007 Current Services			**$3,725**
2007 Program Changes			
2007 Request			**$3,725**
Total Change 2006-2007			63

USSS requests $3.725 million. This is an increase of $63 thousand from FY 2006. This increase is for non-pay inflation to maintain current levels.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Acquisition, Construction, Improvements, and Related Expenses account is used to maintain the Rowley Training Center, which supports protection and criminal investigation missions.

IV. Program Justification of Changes

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
United States Secret Service
Justification of Proposed Changes in
Acquisition, Construction, Improvements, and Related Expenses
Appropriation Language

For necessary expenses for acquisition, construction, repair, alteration, and improvement of facilities, [$3,662,000] ***$3,725,000*** to remain available until expended.

Explanation of Changes

[$3,662,000] ***$3,725,000*** – No substantive changes proposed.

Authorization Cites

The Secret Service is established in 18 U.S.C. 3056 and 3 U.S.C. 202. 18 U.S.C. 1029 and 1030 specifically authorize the Service to investigate offenses under those sections.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
United States Secret Service
Acquistitions, Construction, Improvements and Related Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual			**$2,835**
2006 Revised Enacted			**3,662**
Adjustments-to-Base			
Increases			
Non-pay inflation	---	---	63
Total Increases	---	---	63
Total Adjustments-to-Base	---	---	**63**
2007 Current Services	---	---	**3,725**
2007 Request	---	---	**3,725**
2006 to 2007 Total Change	---	---	**63**

C. Summary of Requirements

Department of Homeland Security
U.S. Secret Service
Acquisitions, Construction, Improvements, and Related Expenses
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	**$2,835**
2006 Revised Enacted	---	---	**$3,662**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	63
Decreases	---	---	
Total Adjustments-to-Base	---	---	63
2007 Current Services	---	---	**$3,725**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)			
2007 Total Request	---	---	**$3,725**
2006 to 2007 Total Change	---	---	63

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 ACIRE			$3,662			$63						$3,725			$63
Total	---	---	**$3,662**	---	---	**$63**	---	---	**$0**	---	---	**$3,725**	---	---	**$63**

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D. Summary of Reimbursable Resources

Not applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
United States Secret Service
Acquisition, Construction, Improvements, and Related Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classification		FY2005 Actual	FY2006 Revised Enacted	FY 2007 Request	FY2007 Change
22.0	Communication, utilities and misc charges	$ 2			
25.0	Other services	2,305	$ 3,364	$ 2,678	$ (686)
26.0	Supplies & materials	58	55	38	(17)
31.0	Equipment	23	115	35	(80)
32.0	Land & structures	447	2,040	974	(1,066)
	Total, other objects	$ 2,835	$ 5,574	$ 3,725	$ (1,849)
	Total Direct Obligations	$ 2,835	$ 5,574	$ 3,725	$ (1,849)
	Unobligated balance, start of year	$ (1,114)	$ (1,912)		
	Unobligated balance, end of year	1,912			
	Total Requirements	$ 3,633	$ 3,662	$ 3,725	

F. Permanent Positions by Grade

Not applicable

G. Capital Investment and Construction Initiative Listing

Not applicable

H. PPA Budget Justifications

Department of Homeland Security
United States Secret Service
Acquisition, Construction, Improvements, and Related Expenses
Rowley Training Center
Funding Schedule
(Dollars in Thousands)

PPA: ACIRE		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
22.0	Transportation of things	$2			
25.2	Other Services	2,305	$2,633	$2,678	$45
26.0	Supplies & materials	58	37	38	1
31.0	Equipment	23	34	35	1
32.0	Land & Structures	447	958	974	16
	Total, ACIRE	**$2,835**	**$3,662**	**$3,725**	**$63**
Full Time Equivalents					

PPA Mission Statement

Acquisition, Construction, Improvements, and Related Expenses Account - Used to maintain the Rowley Training Center, which supports the protection and criminal investigation missions, the two critical homeland security missions covered by the Secret Service.

H. PPA Budget Justifications

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of Things	**$2**	**$0**	**$0**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other Services	**$2,305**	**$2,633**	**$2,678**	**$45**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $45,000 for MCLs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$58**	**$37**	**$38**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $1,000 for MCLs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$23**	**$34**	**$35**	**$1**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $1,000 for MCLs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Land & Structures	**$447**	**$958**	**$974**	**$16**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes increases of $16,000 for MCLs.

I. Schedule of Working Capital Fund

Not applicable

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Department of Homeland Security

United States Secret Service

Special Event Fund

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

UNITED STATES SECRET SERVICE
SPECIAL EVENTS FUND

I. Appropriation Overview

A. Mission Statement for Special Event Fund:

The Special Event Fund is a no-year fund established to house funding for National Special Security Events (NSSEs) and Presidential Campaigns. Funding for campaign events allows the Secret Service to protect major Presidential and Vice Presidential candidates and nominees and their spouses, and President-elect and Vice President-elect and their immediate families. By statute, campaign events commence operation within 120 days of a Presidential Election and continue 24 hours a day, everyday, during that time period. Special agents from Secret Service field offices are temporarily detailed to form protective details for candidates, nominees, and their spouses. Special agents coordinate with the military and Federal, state, county, and local law enforcement organizations to ensure the success of security operations.

Due to the unique nature of these activities, the Secret Service is proposing to separate these activities from the Salaries and Expense appropriation. The Secret Service does not know when NSSEs will occur or how many there will be. In any given fiscal year, the Service could have a multiple number of events, thus exhausting the funding source, or there may not be any events during the year. As a result, the Secret Service believes that it is a good idea to separate these no-year funds from day-to-day operating funds.

By statute and Presidential Decision Directive-62 [PDD-62], the Secret Service is designated as the lead agency for designing, coordinating, and implementing operational security plans for NSSEs. As with campaign events, special agents coordinate with the military and Federal, state, county, local, and international law enforcement organizations to ensure the success of NSSE security operations.

Campaign funding is a mandatory workload increase, and funding is needed for this event three out of every four fiscal years. The Service hopes to establish a base for the campaign that will be available, thus removing it from the normal budget process.

B. Budget Activities:

Candidate Protection Program

The 2004 Presidential Campaign and the 2005 Presidential Inaugural were the first such protective events conducted in the post-9/11 environment. Campaign protection successfully concluded following the election, with protection being provided at 884 different stops. The Inauguration took place with integrated multi-agency security protocols in place that afforded the optimal level of protection for protectees, invited guests and the general public.

Planning for the 2008 Presidential Campaign will begin in FY 2007. Equipment required for the protective details will be purchased and the Service will begin to project staffing needed for the candidate/nominee details during 2008 campaign operations.

Campaign protection training will begin in FY 2007. Personnel will travel to Washington, DC to receive candidate/nominee protective detail training and advance operations training at the Service's Rowley Training Center. The Service is also anticipating the requirement to train approximately 2,000 other Homeland Security agents to assist with campaign protection.

National Special Security Events

USSS plans and implements security designs for designated National Special Security Events (NSSEs) to ensure the physical protection of the President, the public and other protectees who participate in NSSEs.

The events of September 11, 2001, demonstrated that our adversaries are capable of attacking our nation on a grand scale and employing extensive research and surveillance methodologies, acquiring substantial skills and instruction, and striking their targets without warning. Funding to protect our leaders and communities is critical.

C. Budget Request Summary:

USSS requests a total of $20,900,000 within a new Special Event Fund. This includes $18,400,000 for campaign/nominee protection and related expenses and $2,500,000 for NSSEs.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
United States Secret Service
Special Event Fund
FY 2006 to FY 2007 Budget Change
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
National special security event fund						2,500	---	2,500			---	2,500
Candidate Nominee Protection						18,400	---	18,400		18,400	---	---
Subtotal, Enacted Appropriations and Budget Estimates					---	**$20,900**	---	**$20,900**	---	**$18,400**	---	**$2,500**
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates					---	**$20,900**	---	**$20,900**	---	**$18,400**	---	**$2,500**

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III. Current Services Program Description by PPA

Department of Homeland Security
United States Secret Service

Special Event Fund
Program Performance Justification
(Dollars in thousands)

PPA: Candidate Nominee Protection

	Perm. Pos.	FTE	Amount
2005 Actual			
2006 Revised Enacted			
2007 Adjustments to Base			
2007 Current Services			
2007 Program Changes			$18,400
2007 Request			**$18,400**
Total Change 2006-2007			

USSS requests $18.4 million for this activity, which had no funding in FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Campaign Protection

USSS provides protection to major Presidential and Vice Presidential candidates. It also provides protection to their spouses within 120 days of a general Presidential election. Protective details are activated only after established criteria are met. The Service has no base funding for this activity as the campaign protection funding was non-recurred from the base following the last presidential campaign. Funding for the 2008 Presidential Campaign will be requested in three phases. In FY 2007, funding will be requested to purchase equipment and to train personnel on campaign procedures; in FY 2008 funding will be requested for candidate/nominee protection, residence security and the conventions; in FY 2009 funding will be needed for nominee protection, to protect the President-elect, Vice President-elect, and for the inauguration.

After FY 2009, the amount requested for campaign protection will equal one-quarter the total amount needed for the quadrennial campaign cycle thus smoothing out the funding requirements of campaign protection.

PPA: National Special Security Events (NSSE)

	Perm. Pos.	FTE	Amount
2005 Actual			
2006 Revised Enacted			
2007 Adjustments to Base			$2,500
2007 Current Services			
2007 Program Changes			
2007 Request			**$2,500**
Total Change 2006-2007			

USSS requests that $2.5 million be permanently transferred from the Salaries and Expenses account to the Special Event Fund. A new dedicated fund of no-year resources will help the Service address activities and needs that are difficult to plan and manage on an annualized basis.

National Special Security Events

USSS plans and implements security designs for designated NSSE's to ensure the physical protection of the President, the public and other protectees participating in NSSE's.

IV. Program Justification of Changes

Department of Homeland Security
United States Secret Service
Program Justification of Changes
(Dollars in Thousands)

Program Increase 1: 2008 Presidential Campaign

Strategic Goal(s) & Objective(s): Protection; Secure the physical safety of the President, Vice President, visiting world leaders and other protectees

PPA: Protection of Persons and Facilities

Program Increase: Positions 0 FTE 0 Dollars $18,400

	FY 2005 Actual			FY2006 Enacted			FY2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Service Levels									
Program Increase									$18,400
Total Request									**$18,400**

Description of Item
Funding is for the purchases of new vehicles, equipment, and office space in preparation for the 2008 Campaign. Procurement would occur in FY 2007. The equipment and services will be pre-positioned throughout the country to support the increased protective mission as the candidates/nominees travel throughout the country.

The following is the object class detail for the 2008 Presidential Campaign ($18.4 million):

- Training ($2.345 million)
- Transportation of things ($5 thousand)
- Printing ($7 thousand)
- Services ($810 thousand)
- Supplies ($265 thousand)
- Equipment ($14.968 million)

Justification
USSS is mandated by law (Title 18 U.S.C., section 3056) to provide protection and security for "Major Presidential and Vice Presidential candidates and, within 120 days of the general Presidential election, the spouses of such candidates." The Service must make preparations for the 2008 Presidential Campaign during 2007 with training to candidate protective detail personnel, and procuring and leasing equipment and supplies to support candidate/nominee protective operations. Some base funding will be used to purchase vehicles and equipment; however, the Service does not have base funding available to cover all of the costs involved with meeting the increased protective responsibilities during this quadrennial event. Historically, the Service has requested and received an increase in funding for campaign-related activities; this amount is later non-recurred from the base budget.

During FY 2007, personnel will travel to Washington, DC, to receive current candidate/nominee protective detail training and advance operations training for myriad threats, at the Service's Rowley Training Center. Personnel will also instruct at regional training centers to provide protective detail support training and candidate/nominee protective intelligence threat assessments training. An estimated 2,000 other Homeland Security federal agents will assist the Service with campaign protection support. The majority of the costs related training are travel expenses incurred in bringing personnel to Washington, DC, or to transport trainers to conduct regional training.

Vehicles will be purchased for use as limousine and follow-up protective vehicles for the candidate/nominee protective details. The vehicles will be partially armored and outfitted with specialized communications equipment, emergency lights, and other protective equipment, and will be strategically positioned throughout the country in preparation for candidate/nominee campaigning. The Service does not have enough of these critical protective vehicles within its current fleet to accommodate this temporary increase in the protective workload. Following the campaign the vehicles will be used to replace older vehicles in the Service's protective vehicle fleet.

In preparing for the 2008 Presidential Campaign, the Service will incur costs covering the installation of light armor, communications and security equipment in campaign vehicles, and the rental of temporary office space and other contractual services. Homeland Secure Data Network (HSDN) systems will be leased and are critical for the transmission of classified messages used to interpret threat assessments and disseminate threat information to candidate detail operations, coordinating centers and convention sites. Additionally, reimbursable travel expenses will be incurred for explosive ordinance disposal (EOD) military personnel attending campaign protective support training.

Encrypted digital radio systems, and associated communications systems and equipment will be purchased for utilization by the protective details, campaign coordinating centers, protected candidate/nominee residences, convention sites, and debate sites.

To ensure the integrity of protective sites during the presidential campaign, unique protective identification/credentials are required. Identification includes lapel emblems for candidate/nominees and their staffs, lapel emblems for other federal agents assisting the Service, and temporary identification lapel emblems and credentials for other persons working at protected sites or for persons attending events at or around protected sites. Specialized credentialing equipment will be purchased to produce secure photograph identification/credentials for distribution by the Service, as needed.

Computer equipment and associated hardware and software will be purchased for use by the Service at temporary office locations to support candidate/nominee protective details, and to disseminate information to coordinating centers, multi-agency command posts, and residence security offices.

Protective and specialized surveillance equipment and other equipment will be purchased to support the protection of candidates/nominees. The state-of-the-art protective equipment includes specialized detection systems, area surveillance systems, portable sensors and alarms, portable magnetometers, portable x-ray systems, medical and rescue equipment, vehicle crash barriers, and explosive/chemical/biological protection systems.

Due to the increase in protection requirements during a campaign, the Service does not have sufficient protective equipment available within its inventory to pre-position these necessary tools throughout the

country for all of the protective requirements anticipated during the 2008 Campaign. At the conclusion of a presidential campaign this protective equipment will be redistributed to appropriate Secret Service offices to replace outdated protective equipment, as needed.

Walk-thru magnetometers will be purchased to support the candidate/nominee protected sites, debates sites, and the political convention sites. The magnetometers will be strategically and economically positioned in field offices around the country where the heaviest campaign travel is expected. The equipment will be transported to protected sites and convention/debate cities as needed. The Service intends to use magnetometers and x-ray systems to screen personnel and packages entering candidate/nominee protected sites. As a result, additional magnetometer units and x-ray systems are required. Following the campaign, these technically up-to-date magnetometers and x-ray systems will replace older units in the Service's inventory.

Counter surveillance operations are valuable tools used in "proactive" protection methods. The units specialize in assessing vulnerabilities in order to predict a threat or attack, and then establish countermeasures in the security planning to mitigate the threat. Specialized surveillance equipment, which includes state-of-the-art night vision goggles, laser range finders, surveillance cameras and thermal imagers, will be required for use by personnel conducting these surveillance operations in support of the increased protective details and protected campaign sites. The surveillance equipment will be strategically positioned throughout the country in preparation for candidate/nominee campaigning. The Service does not currently have enough of this type of specialized surveillance equipment to accommodate the increased protective workload engendered by a campaign.

The increase in protective requirements for candidates/nominees details and protected sites requires the establishment of temporary offices to support mission requirements. General office equipment and supplies will be required and purchased in FY 2007 to allow for the items to be packaged and shipped. Funds would be used to acquire general office equipment, supplies, and administrative services to include printing and transportation.

Impact on Performance (Relationship of Increase to Strategic Goals)
Title 18 U.S.C. §3056 mandates the Secret Service to provide protection and security for major presidential and vice presidential candidates, and their spouses. During FY 2007, the Secret Service will be required to prepare for the 2008 Presidential Campaign by providing training to candidate protective detail personnel, and procuring and leasing equipment and supplies to support candidate/nominee protective operations. The equipment and services will be pre-positioned throughout the country to support the increased protective mission as the candidates/nominees travel throughout the country. The Service plans to utilize some base funding to purchase vehicles and equipment; however, the Service does not have base funding available to cover all the costs of supporting the increased protective responsibilities during this quadrennial event.

Based on historical averages, the Service is planning for 1,298 additional protection days during the 2008 Campaign. Aside from a small nucleus of personnel assigned to plan for the campaign, there is no separate workforce on stand-by to staff candidate/nominee protective details or campaign events. The Service plans to reallocate approximately 250 FTE from investigative operations to support the campaign, and to provide training to an estimated 2,000 agents from other federal law enforcement entities the Service will utilize on an as needed basis. Public Law 94-524 requires the Secret Service to reimburse incremental costs incurred by these other entities in support of the Secret Service's protective activities.

Increase Cost Summary

(Dollars in thousands)

Item	Unit	Quantity	FY 2007 Net Annualization	FY 2007 Request
Training				$2,345
Armored Motorcade Vehicles		100		5,608
Contractual Services				810
Communications Equipment				3,463
Protective Identification				950
Computer Equipment				754
Protective and Surveillance Equipment				3,988
Office Equipment				205
Office Supplies				265
Transportation of Things				5
Printing and Reproduction				7
Total Request				$18,400

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
United States Secret Service
Justification of Proposed Changes in Special Event Fund
Appropriation Language

For necessary expenses of the United States Secret Service to perform protective functions related to special events, $20,900,000, to remain available until expended: Provided, That of the total amount provided, 18,400,000 shall be for protection activities related to presidential campaigns in the United States and $2,500,000 shall be for extraordinary costs of National Special Security Events.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
United States Secret Service
Special Event Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual			
2006 Revised Enacted			
Adjustments-to-Base			
Increases			
Realignment of NSSE funding from Salaries & Expenses Account			2,500
Total Increases			2,500
Total Adjustments-to-Base	---	---	**2,500**
2007 Current Services	---	---	**$ 2,500**
Program Changes			
Program Increases/(Decreases)			18,400
Total Program Changes	---	---	**18,400**
2007 Request	---	---	**$ 20,900**

C. Summary of Requirements

Department of Homeland Security
U.S. Secret Service
Special Event Fund
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual			
2006 Revised Enacted			
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers			
Increases			2,500
Decreases			
Total Adjustments-to-Base			2,500
2007 Current Services			2,500
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)			$ 18,400
2007 Total Request			$ 20,900
2006 to 2007 Total Change			$ 20,900

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 National Special Security Events						$ 2,500						$ -			$ 2,500
2 Campaign Nominee Protection									$ 18,400			$ 18,400			$ 18,400
Total						$2,500			$ 18,400			$ 18,400			$ 20,900

D. Summary of Reimbursable Resources

Not Applicable.

E. Summary of Requirements by Object Class

Department of Homeland Security
United States Secret Service
Special Event Fund
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.5 Other Personnel Compensation			1,000	1,000
Total, Personnel Comp. & Benefits	**$0**	**$0**	**$1,000**	**$1,000**
Other Object Classes:				
21.0 Travel			3,845	3,845
22.0 Transportation of things			5	5
24.0 Printing and reproduction			10	10
25.2 Other services			850	850
26.0 Supplies and materials			265	265
31.0 Equipment			14,925	14,925
Total, Other Object Classes	**$0**	**$0**	**19,900**	**$19,900**
Total, Direct Obligations	**$0**	**$0**	**$20,900**	**$20,900**
Unobligated balance, start of year				
Unobligated balance, end of year				
Appropriation permanently reduced				
Unobligated balance expiring or withdrawn				
Total requirements	**$0**	**$0**	**$20,900**	

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justification

Department of Homeland Security
United States Secret Service
Special Event Fund
National Special Security Events
Funding Schedule
(Dollars in Thousands)

PPA: National Special Security Events		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.5	Other Personnel Compensation			$1,000	$1,000
21.0	Travel			1,500	1,500
	Total, National Special Security Events	**$0**	**$0**	**$2,500**	**$2,500**
Full Time Equivalents					---

PPA Mission Statement

National Special Security Events - Plan and implement security designs for designated National Special Security Events (NSSEs). Ensure the physical protection of the President, the public, and other Secret Service protectees who participate in NSSEs.

Security at NSSEs is strategically crucial to homeland security in that NSSEs, by definition, involve persons, institutions, and landmarks that are integral to the governance of the Nation, vital to national and/or global economic stability, or symbolically important to American citizens. The requested amount provides funding for the design, coordination, and implementation of operational security plans for NSSEs.

2. Summary Justifications and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$0**	**$1,000**	**$1,000**

Salaries and Benefits includes overtime payments to provide security at National Special Security Events.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$0**	**$1,500**	**$1,500**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

H. PPA Budget Justification

Department of Homeland Security
United States Secret Service
Special Event Fund
Candidate Nominee Protection
Funding Schedule
(Dollars in Thousands)

PPA: Candidate Nominee Protection		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
21.0	Travel			$2,345	$2,345
22.0	Transportation of things			5	5
24.0	Printing			10	10
25.2	Other Services			850	850
26.0	Supplies & materials			265	265
31.0	Equipment			14,925	14,925
	Total, Candidate Nominee Protection	**$0**	**$0**	**$18,400**	**$18,400**
Full Time Equivalents					---

PPA Mission Statement

Candidate Nominee Protection - Secure the physical safety of Presidential and Vice Presidential nominees, candidates, and spouses.

In order to protect our Nation's leaders, the Secret Service operates to ensure protectees' physical protection and to protect the buildings and grounds where they reside and work. The requested amount addresses the following USSS strategic challenges: terrorists' sustained motivation to attack U.S. interests (including its leaders), the increasing technological sophistication of the threat environment, and the unprecedented protective challenge presented by the 2008 campaign.

H. PPA Budget Justification

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Travel	**$0**	**$0**	**$2,345**	**$2,345**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases for the 2008 Presidential Campaign.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Transportation of Things	**$0**	**$0**	**$5**	**$5**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases for the 2008 Presidential Campaign.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Printing	**$0**	**$0**	**$10**	**$10**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes increases for the 2008 Presidential Campaign.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Other Services	**$0**	**$0**	**$850**	**$850**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 2500. The FY 2007 request includes increases for the 2008 Presidential Campaign.

H. PPA Budget Justification

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Supplies & materials	**$0**	**$0**	**$265**	**$265**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases for the 2008 Presidential Campaign.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Equipment	**$0**	**$0**	**$14,925**	**$14,925**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases for the 2008 Presidential Campaign

I. Schedule of Working Capital Fund

Not Applicable.

1541

Department of Homeland Security

United States Secret Service

Fiscal Year 2007

Strategic Context
Congressional Justification

25756A

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

US SECRET SERVICE (USSS)

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I. STRATEGIC CONTEXT FOR THE FY 2007-2011 BUDGET

This document presents justification of the FY 2007 budget by demonstrating how funding enables the United States Secret Service (USSS) to achieve its strategic goals, and how the Service manages the achievement of those goals through performance goals, measures, and reports.

A. Mission and Description of the United States Secret Service

USSS performs two critical homeland security missions: protection and criminal investigations. The Service protects the President and Vice President, their families, visiting heads-of-state/heads of government, and other designated individuals, such as the Secretary of Homeland Security; investigates threats against these protectees; protects the White House, Vice President's Residence, Foreign Missions, and other designated buildings within Washington, D.C.; and designs, coordinates, and implements operational security plans for designated National Special Security Events. The Service investigates violations of laws relating to: counterfeiting of obligations and securities of the United States; financial crimes such as access device fraud, financial institution fraud, identity theft, and computer fraud; and computer-based attacks on our nation's financial, banking, and telecommunications infrastructure.

In order to accomplish both its protective and investigative missions, the Service has offices located throughout the United States and in 15 foreign countries. Employees consist predominantly of special agents, uniformed officers, and support personnel.

B. Major Activities and Key Strategic Issues

The environment in which USSS must accomplish its mission in FY 2007 - FY 2011 will be characterized by the following major challenges:

- Terrorists' sustained motivation to attack U.S. leaders and economy
- Increasing technological sophistication of the threat environment
- The American election cycle and term limitations

The primary challenges impacting USSS's ability to accomplish its mission during the ongoing Global War on Terror include ***terrorists' sustained motivation to attack U.S. interests*** (including its leaders and economy) and ***the increasing technological sophistication of the threat environment.*** It is imperative to staff the Service with adequate levels of personnel, and to equip them with the technological tools necessary to operate in the modern threat environment inclusive of nuclear, biological, chemical, and radiological threats to protectees, protected facilities, and protected events.

Other major challenges to USSS's ability to accomplish its mission derive from ***the American election cycle and term limitations.*** During 2007, preparations will begin for the 2008 Presidential Campaign, by providing training to candidate/nominee protective detail personnel, and procuring and leasing equipment and supplies to support candidate/nominee protective operations. With President Bush completing his second and last term, and with Vice President Cheney indicating he will not be a candidate/nominee for President in 2008, the Service faces an unprecedented situation relative to candidate/nominee protection. No prospective presidential candidate will be a sitting President or Vice President under Secret Service protection, resulting in an increase in the number of individuals requiring protection. Additional staffing is also necessary to provide protection for another former president at the completion President George W. Bush's second term. In order to prepare strategically for inevitable and mission-critical workload increases, the Service must budget in FY 2007 for both Campaign 2008 and the addition of a new protective detail.

C. Resources Requested and Performance Impact

Increments over current service: FY 2008 Campaign

During FY 2007, USSS will be required to make preparations for the 2008 Presidential Campaign by providing training to candidate protective detail personnel, and procuring and leasing equipment and supplies to support candidate/nominee protective operations. In order to have vehicles, equipment, and office space in place for the 2008 campaign, the procurement of these items must be accomplished during FY 2007. The equipment and services will be pre-positioned throughout the country to support the increased protective mission as the candidates/nominees travel throughout the country. The equipment and services procured with this funding support accomplishment of the Campaign Protection program performance goal to protect our Presidential and Vice Presidential candidates and nominees by ensuring protectees arrive and depart safely 100 percent of the time.

Increments over current service: Bush Post-Presidency Detail

Funding is requested to staff and support the President's post-presidency detail. Although the detail will not be operational until January 20, 2009, funds allocated in FY 2007 will allow for limited recruiting, hiring and training of personnel in advance of President Bush leaving office. Upon completion of training, these new agents will be used to support candidate/nominee protection throughout Campaign 2008. Following the Inauguration of the new president, these agents will be used to backfill senior special agents who will be required to staff the new detail. This funding will allow for partial implementation of new protection duties and transition of personnel. If funded, staffing the new detail would support the accomplishment of the Domestic Protectees program performance goal to protect our Nation's leaders and other protectees by ensuring protectees arrive and depart safely 100 percent of the time. Funding this initiative also would support accomplishment of investigative program performance goals, as fewer special agents would be drawn from field offices to support increasing protective requirements.

Protective Terrorist Countermeasures Support

USSS is requesting additional base funding to support and enhance critical operational and classified systems.

Technical Surveillance and Electronic Countermeasures

Funding will be used to upgrade, enhance, replace and maintain existing critical classified systems used to identify and mitigate technical and electronic threats to fixed and temporary protected sites visited by the President, Vice President, and other high-threat protectees. These classified countermeasures include state-of-the-art technical and electronic surveillance systems (fixed and portable) that identify and mitigate current and emerging electronic threats; also, the specialized software supporting these systems must be upgraded. If these systems are not upgraded, USSS's ability to identify and negate electronic devices used for intelligence intercepts and/or the activation of explosive or other hazardous devices may be compromised. The requested upgrades and enhancements will support accomplishment of the performance goal to protect our nation's leaders and other protectees.

Chemical / Biological Mitigation

Funding will support specialized threat-detection, including Hazardous Agent Mitigation Medical Emergency Response (HAMMER) and Rapid Intervention Safety and Command (RISC). HAMMER and RISC protect the President, Vice President, and other high-threat protectees from a variety of Chemical/Biological/Radiological/Nuclear threats and respond to medical and rescue emergencies.

Funding will allow for expansion of fixed and portable Chemical/Biological/Radiological/Nuclear surveillance and alarm systems; procurement of specialized monitoring and rescue equipment; replacement of personal protective equipment and biological and chemical detection equipment; and expansion of services required to collect, analyze, and mitigate chemical threats. Funding would provide a necessary replacement cycle for the specialized Chemical and Biological Mitigation Program equipment. The requested equipment and services will support accomplishment of the performance goal to protect our nation's leaders and other protectees.

Enhancements to Communications Systems

Funding will allow for the acquisition of classified (HSDN) systems, wireless communications (Blackberry) systems and specialized encrypted radio systems, as well as allow for the establishment of a replacement cycle for existing equipment. The existing systems, both fixed and portable, require upgrades and enhancements to support critical mission requirements aligned to the performance goal to protect our nation's leaders and other protectees.

Software Application Modernization Services

Funding is required to upgrade and integrate new software in support of operational and classified systems; migrate from mainframe computer systems; and convert operational data to a web-based system. Modernization of existing applications and migration to web-based systems will position USSS to be interoperable with Departmental systems, systems of other organizational elements, and other government agencies. This interoperability will enhance the ability to identify and mitigate threats to protected persons.

Special Operations Equipment

Funding will be used to enhance, acquire, replace, and maintain specialized weapon systems and tactical equipment (high-tech night vision, tactical body armor, lasers sites) used by members of the Counter Assault, Counter Sniper, Emergency Response, and Counter Surveillance teams. Teams perform critical protective support missions that include identifying and mitigating threats against protectees and protected sites and venues. Team members must have functional, state-of-the-art tactical equipment and specialized weapons systems in order to successfully achieve results. Staffing of these teams has been increased with the realignment of resources from other Secret Service programs in order to address the demand for protective support missions which cannot be sustained with current funding limitations. Along with the need for increased staffing comes the need for additional equipment. Additional funding for these teams will support accomplishment

of the performance goal to protect our nation's leaders and other protectees by ensuring protectees arrive and depart safely 100 percent of the time.

Primary Armored Vehicles

Funding will increase and maintain current primary Presidential/Vice Presidential armored vehicles. The vehicle carrying the President serves as the Oval Office when he travels beyond the perimeter of the White House Complex. Additional funding will allow for expansion, maintenance, and replacement of the existing Presidential/Vice Presidential armored vehicle fleet. The primary Presidential/Vice Presidential armored vehicles contain state-of-the-art technologies, including transparent armor that is vital to the ability to provide critical protection to the President and Vice President when outside of protected sites. The degree of protection afforded by these primary armored vehicles is significantly higher than it is for any other armored vehicle in the world. The availability and operability of the armored fleet would be greatly enhanced through this additional funding and contribute to the accomplishment of the performance goal to protect our nation's leaders.

[Note: any discussion of vehicle capabilities must be conducted in closed sessions. A document classified "Secret" describing the performance of the above armor systems is available upon request.]

Cite the PART and Performance Information

The following is the PART schedule:
- **FY 2006**: Foreign Protectees and Foreign Missions; Protective Intelligence
- **FY 2007**: Domestic Protectees (incorporated the Campaign Protection program by permission of OMB)
- **FY 2008**: Investigations

Results of completed PARTs are as follows:
- **Foreign Protectees and Foreign Missions** (89 out of 100 – "Effective")
- **Protective Intelligence** (95 out of 100 – "Effective")
- **Domestic Protectees** (96 out of 100 – "Effective")

OMB PARTs of Foreign Protectees/Foreign Missions, Protective Intelligence, and Domestic Protectees found that these programs meet their performance targets, collaborate with partner agencies to achieve results, and allocate resources effectively and efficiently.

PART results influenced the FY 2007 budget request as follows:
USSS believes that *performance and risk* should be the dual pillars of resource allocation. Initiatives requested in the FY 2007 budget meet both imperatives:

- *Performance:* The Service has received across-the-board "Effective" PART ratings for all of its protective programs: Domestic Protectees, Foreign Protectees and Foreign Missions, and Protective Intelligence. (Campaign Protection, with OMB's permission, was included in Domestic Protectees for PART purposes). These PART ratings demonstrate that USSS delivers a considerable "return on investment" for funds appropriated to its protective programs. As such, requested increases are consistent with both the letter and spirit of the President's focus on budget and performance integration.

- *Risk:* Increased investments in protective programs' manpower and equipment are vital due to the threat, vulnerability, and consequence associated with (a) a campaign in which neither candidate will be a Presidential or Vice Presidential incumbent, (b) the addition of a Former President with an internationally high profile, and (c) the known and anticipated physical, technological, electronic, and air space threats to Presidential and Vice Presidential protection.

D. How Secret Service Programs Align To and Support DHS Strategic Plan Objectives

Domestic Protectees program performance goal - Protect our nation's leaders and other protectees.

DHS Strategic Objective 3.4 - Secure the physical safety of the President, Vice President, visiting world leaders, and other protectees.

Foreign Protectees and Foreign Missions program performance goal - Protect visiting world leaders.

DHS Strategic Objective 3.4 - Secure the physical safety of the President, Vice President, visiting world leaders, and other protectees.

Protective Intelligence program performance goal - Reduce threats posed by global terrorists and other adversaries.

DHS Strategic Objective 3.4 - Secure the physical safety of the President, Vice President, visiting world leaders, and other protectees.

Financial Investigations program performance goal - Reduce losses to the public attributable to counterfeit currency, other financial crimes, and identity theft crimes under the jurisdiction of USSS, which threaten the integrity of our currency and the reliability of financial payment systems worldwide.

DHS Strategic Objective 3.3 - Protect against financial and electronic crimes, counterfeit currency, illegal bulk currency movement, and identity theft.

Infrastructure Investigations program performance goal - Reduce loses to the public attributable to electronic crimes and crimes under the jurisdiction of USSS that threaten the integrity and reliability of the critical infrastructure of the country.

DHS Strategic Objective 3.3 - Protect against financial and electronic crimes, counterfeit currency, illegal bulk currency movement, and identity theft.

Campaign Protection program performance goal - Protect our Presidential and Vice Presidential Candidates and Nominees.

DHS Strategic Objective 3.4 - Secure the physical safety of the President, Vice President, visiting world leaders, and other protectees.

E. Performance Based Budget Highlights by Program

Performance Goal: Protect our Nation's leaders and other protectees.						
Measure: % of Instances Protectees Arrive and Depart Safely.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	100%	100%	100%	100%	100%
	Actual	100%	100%	100%		
Program: Domestic Protectees**	$ Thousands	$770,206	$819,927	$792,670	$810,560	$846,455
	FTE	2,952	3,140	3,358	3,374	3,404

Performance Goal: Protect our Presidential and Vice Presidential Candidates and Nominees.						
Measure: % of Instances Protectees Arrive and Depart Safely.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	100%	100%	N/A	N/A
	Actual	N/A	100%	100%	N/A	N/A
Program: Campaign Protection** (combined with Domestic Protectees for PART evaluation)	$ Thousands	$10,870	$64,557	$24,500	$0	$21,400
	FTE	24	236	120	0	24

Performance Goal: Protect visiting world leaders.						
Measure: % of Instances Protectees Arrive and Depart Safely - Foreign Dignitaries.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	100%	100%	100%	100%	100%
	Actual	100%	100%	100%		
Program: Foreign Protectees/Foreign Missions**	$ Thousands	$103,289	$105,406	$124,807	$129,134	$130,781
	FTE	455	527	659	659	659

Performance Goal: Reduce threats posed by global terrorists and other adversaries.						
Measure: Number of Protective Intelligence Cases Completed.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	4,000	4,500	4,000	4,000	3,300
	Actual	3,927	3,992	4,614		
Program: Protective Intelligence**	$ Thousands	$85,662	$65,653	$68,857	$71,225	$72,534
	FTE	494	441	441	446	450

Performance Goal: Reduce loses to the public attributable to counterfeit currency, other financial crimes, and identity theft crimes that are under the jurisdiction of USSS, which threaten the integrity of our currency and the reliability of financial payment systems worldwide.						
Measure: Counterfeit Passed per Million Dollars of Genuine U.S. Currency.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	$74	$74	$74	$74	$74
	Actual	$58	$60	$80		
Measure: Financial Crimes Loss Prevented (Billions).	Target	$1.5	$1.0	$1.5	$1.5	$1.5
	Actual	$2.5	$1.7	$1.80		
Program: Financial Investigations	$ Thousands	$259,836	$251,262	$315,794	$341,612	$340,571
	FTE	1,858	1,689	1,684	1,796	1,778

Performance Goal: Reduce loses to the public attributable to electronic crimes and crimes under the jurisdiction of USSS that threaten the integrity and reliability of the critical infrastructure of the country.						
Measure: Financial Crimes Loss Prevented.(Millions)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	Baseline	$150	$150	$150
	Actual	N/A	$150	$556.20		
Program: Infrastructure Investigations	$ Thousands	$38,391	$27,323	$49,172	$50,958	$53,862
	FTE	236	240	254	289	298

** Denotes a PART'ed program.

F. Digest Tables by FYHSP Programs – Salaries and Expenses –Discretionary and Mandatory

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
All Appropriations
(dollars in thousands)

BUDGET ACTIVITY	FY2005 Actual		FY2006 Enacted Budget		FY2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1. PROTECTION	**4,343**	**$841,608**	**4,479**	**$1,010,919**	**4,537**	**$1,070,670**	**58**	**$59,751**	**16**	**$22,200**	**42**	**$37,551**
Domestic Protectee	3,147	651,015	3,374	810,560	3,404	845,955	30	35,395	16	22,200	14	13,195
White House Mail Processing												
Foreign Protectees and Foreign Missions	576	91,459	659	129,134	659	130,781		1,647				1,647
Protective Intelligence	515	66,392	446	71,225	450	72,534	4	1,309			4	1,309
Campaign Protection	105	32,742			24	21,400	24	21,400			24	21,400
2. INVESTIGATIONS	**2,085**	**325,946**	**2,085**	**392,570**	**2,076**	**394,433**	**(9)**	**1,863**			**(9)**	**1,863**
Financial Investigations	1,789	277,640	1,796	341,612	1,778	340,571	(18)	(1,041)			(18)	(1,041)
Infrastructure Investigations	296	48,306	289	50,958	298	53,862	9	2,904			9	2,904
Unobligated balance expiring												
Subtotal, Salaries and Expenses Budget Authority (All Sources)	**6,428**	**$1,167,554**	**6,564**	**$1,403,489**	**6,613**	**$1,465,103**	**49**	**61,614**	**16**	**22,200**	**33**	**39,414**
Less Adjustments for Other Funding Sources:		8,204										
Total enacted appropriations and budget estimates	**6,428**	**$1,175,758**	**6,564**	**$1,403,489**	**6,613**	**$1,465,103**	**49**	**61,614**	**16**	**22,200**	**33**	**39,414**

Note: The FY 2005 Actual figures exclude the $210 million DC Annuity (retirement).

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
U.S. Coast Guard
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Operating Expenses	45,393	$5,250,260	45,843	5,410,555	46,284	5,518,843	441	$108,288	91	30,459	350	$77,829
Environmental Compliance and Restoration	24	16,809	24	12,280	24	11,880	---	(400)	---	---	---	(400)
Reserve Training	532	112,703	536	117,810	536	123,948	---	6,138	---	---	---	6,138
Acquisition, Construction and Improvements	616	1,080,335	616	1,282,727	652	1,169,537	36	(113,190)	36	(38,690)	---	(74,500)
Alteration of Bridges	---	16,601	---	14,850	---	---	---	(14,850)	---	---	---	(14,850)
Research, Development, Test and Evaluation	97	26,566	102	18,097	102	13,860	---	(4,237)			---	(4,237)
Health Care Fund Contribution	---	236,750	---	260,533	---	278,704	---	18,171			---	18,171
Retired Pay	---	944,575	---	1,014,080	---	1,063,323	---	49,243			---	49,243
Boat Safety	---	76,394	---	101,285	---	115,000	---	13,715		13,715	---	---
Oil Spill Recovery	---	95,432	---	168,000	---	126,900	---	(41,100)			---	(41,100)
Gift Fund	---	903	---	80	---	80	---	---			---	---
Subtotal, Enacted Appropriations and Budget Estimates	**46,662**	**$7,857,328**	**47,121**	**$8,400,297**	**47,598**	**$8,422,075**	**477**	**$21,778**	**127**	**$5,484**	**350**	**$16,294**
Less: Adjustments for Other Funding Sources:												
Department of Defense Transfer, 97-0141 (Function 054)	---	---	---	(100,000)	---	---	---	---	---	---	---	---
Emergency Hurricane/GWOT/Tsunami Relief Supplemental Appropriations/Other transfer (P.L. 108-324, P.L. 109-13, P.L. 108-447)	---	(194,885)	---	---	---	---	---	---	---	---	---	---
Emergency Hurricane Katrina Supplemental (P.L. 108-324)	---	---	---	(206,500)	---	---	---	---	---	---	---	---
Department of Defense Transfer (Function 054), P.L. 109-13	---	(34,000)	---	---	---	---	---	---	---	---	---	---
Rescission of carryover balances	---	---	---	(100,104)	---	---	---	---	---	---	---	---
Adjusted, Enacted Appropriations and Budget Estimates	46,662	$7,628,443	47,121	$8,093,797	47,598	$8,422,075	477	$21,778	127	$5,484	350	$16,294

Note: FY 2006 revised enacted excludes rescissions of unobligated balances: $15,191,000 in Operating Expenses and $84,913,000 in Acquisition, Construction and Improvements. FTE figures exclude Reimbursable FTE.

iii: Homeland and Non-Homeland Allocation

Department of Homeland Security
U.S. Coast Guard
Homeland and Non-Homeland Allocation by Strategic Goals
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Assessment					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operating Expenses	17,824	$3,085,068	27,559	$3,184,069	45,393	$6,066,137	17,043	$3,908,197	28,800	$3,437,107	45,843	$7,395,304	17,399	$2,192,747	38,885	$3,336,096	56,284	$5,528,843
- Marine Safety			9,432	1,011,017	9,432	1,011,017			8,453	1,128,067	8,453	1,128,067			8,482	1,021,483	8,482	1,021,483
- Maritime Mobility			7,904	1,009,466	7,904	1,009,466			8,294	948,930	8,294	948,930			8,304	953,606	8,304	953,606
- Protection of Natural Resources			5,268	550,366	5,268	550,366			5,324	596,229	5,324	596,229			5,348	590,028	5,348	590,028
- Maritime Security	14,988	1,489,851	4,865	613,220	19,853	2,103,071	13,026	1,531,790	6,731	733,881	21,757	2,273,671	15,556	1,771,139	6,731	761,516	22,107	2,532,655
- National Defense	2,846	392,217			2,846	392,217	2,017	446,467			2,017	446,467	2,043	421,608			2,043	421,608
Environmental Compliance and Restoration	—	—	24	17,000	24	17,000	—	—	24	12,280	24	12,280	—	—	24	11,880	24	11,880
- Protection of Natural Resources		—	24	17,000	24	17,000		—	24	12,280	24	12,280		—	24	11,880	24	11,880
Reserve Training	209	41,979	323	71,021	532	113,000	230	42,438	336	75,192	536	117,810	106	45,894	330	78,054	536	123,948
- Marine Safety		—	111	22,351	111	22,351		—	99	23,025	99	23,025		—	95	23,349	95	23,349
- Maritime Mobility		—	93	22,516	93	22,516		—	97	21,649	97	21,649		—	95	22,838	95	22,838
- Protection of Natural Resources		—	62	12,276	62	12,276		—	62	13,321	62	13,321		—	62	13,907	62	13,907
- Maritime Security	176	33,233	57	13,878	233	46,910	176	34,715	78	17,197	254	51,912	102	37,554	78	18,143	260	55,679
- National Defense	33	8,747		—	33	8,747	24	7,903		—	24	7,903	24	8,360		—	24	8,360
Acquisition, Construction and Improvements	210	371,796	406	677,604	616	1,049,400	193	373,642	423	824,152	616	1,197,814	207	370,117	445	799,420	652	1,169,537
- Marine Safety		—	102	167,253	102	167,253		—	87	170,093	87	170,093		—	92	164,265	92	164,265
- Maritime Mobility		—	33	51,721	33	51,721		—	19	37,282	19	37,282		—	17	31,473	17	31,473
- Protection of Natural Resources		—	93	162,632	93	162,632		—	120	233,648	120	233,648		—	126	225,967	126	225,967
- Maritime Security	149	266,569	178	295,998	327	562,567	157	303,287	197	383,129	354	686,416	167	298,836	210	377,715	377	676,551
- National Defense	61	105,227		—	61	105,227	36	70,355		—	36	70,355	40	71,281		—	40	71,281
Alteration of Bridges	—	—	—	15,900	—	15,900	—	—	—	14,850	—	14,850	—	—	—	—	—	—
- Maritime Mobility		—	—	15,900	—	15,900		—	—	14,850	—	14,850	—	—	—	—	—	—
Research, Development, Test and Evaluation	22	4,043	75	14,457	97	18,500	14	3,860	88	14,237	102	18,097	14	1,958	88	11,902	102	13,860
- Marine Safety		—	19	3,656	19	3,656		—	23	3,649	23	3,649		—	23	3,115	23	3,115
- Maritime Mobility		—	14	2,671	14	2,671		—	18	2,736	18	2,736		—	7	864	7	864
- Protection of Natural Resources		—	35	6,691	35	6,691		—	42	6,864	42	6,864		—	52	7,165	52	7,165
- Maritime Security	20	3,651	7	1,439	27	5,090	12	3,769	5	988	17	4,757	12	1,578	6	758	18	2,336
- National Defense	2	392	—	—	2	392	2	91	—	—	2	91	2	380	—	—	2	380
Health Care Fund Contribution	—	87,952	—	148,798	—	236,750	—	64,844	—	195,689	—	260,533	—	103,193	—	175,511	—	278,704
- Marine Safety		—		47,245	—	—	—	—	—	72,189	—	72,189	—	—	—	52,546	—	52,546
- Maritime Mobility		—		47,172	—	—	—	—	—	60,731	—	60,731	—	—	—	50,902	—	50,902
- Protection of Natural Resources		—		53,719	—	—	—	—	—	36,603	—	36,603	—	—	—	31,263	—	31,263
- Maritime Security		69,624		28,657	—	—	—	52,819	—	26,166	—	78,985	—	84,398	—	40,801	—	125,199
- National Defense		18,328		—	—	—	—	12,025	—	—	—	12,025	—	18,795	—	—	—	18,795
Total Direct Appropriations and Budget Estimates	18,275	$3,587,838	28,387	$4,128,849	46,662	$8,516,687	17,480	$3,453,241	29,671	$4,497,707	47,151	$7,950,948	17,926	$2,713,309	39,772	$4,412,871	57,698	$7,126,180

iii: Homeland and Non-Homeland Allocation

Department of Homeland Security
U.S. Coast Guard
Homeland and Non-Homeland Allocation by Strategic Goals
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Mandatory Fee Account																		
Retired Pay	---	**398,702**	---	**686,758**	---	**1,085,460**	---	**356,256**	---	**657,824**	---	**1,014,080**	---	**410,167**	---	**653,156**	---	**1,063,323**
- Marine Safety		---		209,005	---	209,005		---		187,997	---	187,997		---		177,702	---	177,702
- Maritime Mobility		---		189,272	---	189,272		---		157,531	---	157,531		---		148,793	---	148,793
- Protection of Natural Resources		---		129,353	---	129,353		---		133,423	---	133,423		---		133,565	---	133,565
- Maritime Security		311,059		159,128	---	470,187		290,035		179,883	---	469,918		527,961		193,096	---	521,060
- National Defense		**87,643**		---	---	**87,643**		66,221		---	---	66,221		82,203		---	---	82,203
Total Mandatory Fee Accounts	---	**$398,702**	---	**$686,758**	---	**$1,085,460**	---	**$356,256**	---	**$657,824**	---	**$1,014,080**	---	**$410,167**	---	**$653,156**	---	**$1,063,323**
Trust Fund & Public Enterprise Accounts																		
Boat Safety	---	---	---	**64,000**	---	**64,000**	---	---	---	**101,285**	---	**101,285**	---	---	---	**115,000**	---	**115,000**
- Marine Safety		---		64,000	---	64,000		---		101,285	---	101,285		---		115,000	---	115,000
Oil Spill Recovery	---	---	---	**71,200**	---	**71,200**	---	---	---	**168,000**	---	**168,000**	---	---	---	**126,900**	---	**126,900**
- Protection of Natural Resources		---		71,200	---	71,200		---		168,000	---	168,000		---		126,900	---	126,900
Gift Fund	---	**80**	---	---	---	**80**	---	30	---	50	---	80	---	29	---	51	---	80
- Marine Safety		---		---	---	---		---		16	---	16		---		15	---	15
- Maritime Mobility		---		---	---	---		---		14	---	14		---		15	---	15
- Protection of Natural Resources		---		---	---	---		---		9	---	9		---		9	---	9
- Maritime Security		80		---	---	80	23		11		---	34		24		12	---	36
- National Defense		---		---	---	---	7		---		---	7		5		---	---	5
Total Fund & Public Enterprise Accounts	---	**$80**	---	**$135,200**	---	**$135,280**	---	**$30**	---	**$269,335**	---	**$269,365**	---	**$29**	---	**$241,951**	---	**$241,980**
Total, Enacted Appropriations and Budget Estimates	**38,275**	**$2,796,630**	**28,367**	**$4,950,807**	**66,642**	**$7,747,437**	**17,458**	**$2,809,537**	**29,671**	**$5,493,666**	**47,121**	**$8,300,193**	**17,826**	**$3,124,105**	**29,772**	**$5,297,970**	**47,598**	**$8,422,075**

Economics of Scope:
Homeland Security activities includes the following programs: Migrant Interdiction, Ports, Waterways and Coastal Security and Defense Readiness.
Non-Homeland activities include the following programs: Search and Rescue, Marine Safety, Aids to Navigation, Ice Operations, Marine Environmental Protection, Living Marine Resources, Drug Interdiction and Other Law Enforcement.

FY 2005 enacted includes rescission of unobligated balances, $16,000,000 in Acquisition, Construction and Improvements
FY 2005 funding for the Medicare-Eligible Retiree Healthcare Fund Contribution was accounted for within the Operating Expenses appropriation, but it is displayed here for FY 2005 separately presentation purposes. Beginning in FY 2006, the contribution was officially re-allocated from the Operating Expenses appropriation to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.
FY 2005 Fund & Public Enterprise Accounts reflect the enacted level. Oil Spill Recovery and Gift Fund amounts do not match MAX totals of $63,755 and $1,030 respectively.
FY 2006 revised enacted includes rescissions of unobligated balances, $15,191,000 in Operating Expenses, $6,282,000 and $78,631,000 in Acquisition, Construction and Improvements

iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security

U. S. Coast Guard

Status of Congressionally Requested Studies, Reports and Evaluations

1. Senate Report 108-280, page 49 and Conference Report 108-774 page 56 directs the National Academy of Sciences (NAS) to study the role of Coast Guard icebreakers. Target final NAS response to Committee September 2006.

2. House Report 109-79, page 60 directs the Coast Guard to submit reports on the results of port security terrorism exercises to the Committee every six months. Target response to Committee February 2006, August 2006.

3. House Report 109-79, page 61 directs the Coast Guard to continue to adhere to reporting requirements prior to moving any sector commands. Target response to Committee 30 days prior to command structure implementation.

4. Senate Report 109-83, page 55 directs the Coast Guard to submit a report on its plans to meet fisheries enforcement needs. Target response to Committee February 2006.

5. Senate Report 109-83, page 55 directs the Coast Guard to issue a report on the status of family housing needs on a State-by-State basis. Target response to Committee February 2006.

6. Conference Report 109-241, page 58 directs the Coast Guard to report on status of evaluations to reduce occupational safety and health risks. Target response to Committee December 2005.

7. Public Law 108-7, page 422 directs the Commandant of the Coast Guard to submit a quarterly report on the agency's mission hour emphasis. Target response to Committee January 2006, April 2006, July 2006, October 2006.

8. Public Law 108-7, page 422 directs the Commandant of the Coast Guard to submit a quarterly report on all major Coast Guard acquisition projects. Target response to Committee January 2006, April 2006, July 2006, October 2006.

9. House Report 109-79, page 67 directs that the Coast Guard submit a Maritime Safety and Security Teams (MSSTs) policy report with the fiscal year 2007 budget request. Target response to Committee February 2006.

10. Senate Report 109-83, page 61 expects the Coast Guard to submit a comprehensive capital investment plan. Target response to Committee February 2006.

11. Conference Report 109-241, page 60 directs the Coast Guard to conduct an operational gap analysis for all Deepwater assets. Target response to Committee February 2006.

12. Conference Report 109-241, page 59 directs the Coast Guard to submit a review of the Revised Deepwater Implementation Plan. Target response to Committee February 2006.

13. Conference Report 109-241, page 60 directs the Coast Guard to submit a comprehensive review of the Revised Deepwater Implementation Plan every five years beginning in fiscal year 2011. Target response to Committee February 2006.

14. Conference Report 109-241, page 60 directs the Coast Guard to provide a patrol boat availability report. Target response to Committee February 2006.

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
US Coast Guard
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Operating Expense	2005	$5,404,300	$5,157,220	$5,518,843
Environmental Compliance & Restoration	2005	17,000	17,000	11,880
Reserve Training	2005	117,000	113,000	123,948
Acquisition, Construction & Improvements	2005	1,500,000	982,200	1,169,537
Alteration of Bridges	2005	19,650	15,900	---
Retired Pay	2005	1,085,460	1,085,460	1,063,323
Boat Safety	N/A	N/A	N/A	115.000
Research, Development, Test & Evaluation	N/A	N/A	N/A	13.860
Oil Spill Recovery, Coast Guard, (OSLTF)	N/A	N/A	N/A	126,900
Gift Fund	N/A	N/A	N/A	80
Health Care Fund Contribution	N/A	N/A	N/A	278,704
Total Direct Authorization/Appropriation		**$8,143,410**	**$7,370,780**	**$8,422,075**

Department of Homeland Security

United States Coast Guard

Operating Expenses

Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard

Operating Expenses

I. Appropriation Overview

A. Mission Statement for Operating Expenses:

The Coast Guard's Operating Expenses (OE) budget request seeks funding for the annualization of prior-year, part-year funding and non-pay cost of living increases, operating and maintenance funding for assets procured in prior years, and allow for the introduction of new initiatives that enhance the Coast Guard's maritime safety and security capabilities.

B. Budget Activities:

Operating Expenses will provide support for our traditional missions that include Search and Rescue (SAR), Marine Safety, Aids to Navigation (AtoN), Ice Operations, Marine Environmental Protection (MEP), Living Marine Resources (LMR), Drug Interdiction, Migrant Interdiction, Other Law Enforcement, Ports, Waterways and Coastal Security (PWCS) and Defense Readiness.

C. Budget Request Summary:

The Coast Guard requests $5,518,843,000 and 46,284 FTE in FY 2007 to introduce the new initiatives. In particular, funding will reflect the newest mission requirement to support the National Capital Region Air Defense (NCRAD) capability. To improve U.S. Government's ability to respond to maritime terrorist threats, the budget requests funds for further development of the Maritime Security Response Team (MSRT). In support of the President's National Strategy for Maritime Security, maritime domain awareness will be enhanced through the production of field infrastructure to sustain the expansion of the Secret Internet Protocol Router Network (SIPRNET) to Coast Guard field commands, establishment of a counterintelligence directorate and additional funding for Sector Command Center (SCC) personnel. Funding is also requested to streamline and refine the Coast Guard's financial tracking and reporting practices to ensure compliance with Congressional, Office of Management and Budget (OMB) and DHS financial reporting requirements. And lastly, funding is requested to support the consolidation of DHS entities in the National Capital Region through the move of all Washington D.C.-based Coast Guard units to the Saint Elizabeths campus on the east bank of the Anacostia River.

The Coast Guard requests 46,527 positions, 46,284 FTE, and $5,518,843,000. The Adjustments-to-Base is 169 positions, 350 FTE, and $30,459,000. The program increases included 180 positions, 91 FTE, and $77,829,000 to:

- Relocate Coast Guard headquarters from Washington, D.C. area to the Saint Elizabeth campus on the east bank of the Anacostia River ($50,200,000)
- Procure Self-Contained Breathing Apparatuses (SCBAs) for all personnel serving on Coast Guard cutters ($7,200,000)
- Build additional maritime security response capability through the creation of a Maritime Security Response Team (MSRT) - a rapidly deployable, highly trained unit outfitted with specialized tactical equipment to perform opposed insertions/boardings, serve high risk arrest warrants and other offensive CT activities within the maritime environment ($3,074,000 and 30 FTE)
- Execute the National Capital Region Air Defense (NCRAD) mission ($13,934,000 and 61 FTE)
- Enhance Maritime Domain Awareness (MDA) through the expansion of SIPRNET capability, establish the Coast Guard Counterintelligence program and provide prototype Sector Command Centers (SCC) and Joint Harbor Operation Center (JHOC) operations support ($6,421,000)
- Establish a Financial Audit Remediation and Internal Controls Program ($2,000,000)

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
I. Military Pay and Allowances (NOTE 1)	39,717	$ 2,612,457	39,891	$ 2,716,842	40,262	$ 2,788,276	371	$ 71,434	91	$ 7,109	280	$ 64,325
II. Civilian Pay and Benefits	5,676	$ 480,873	5,952	$ 526,182	6,022	$ 569,434	70	$ 43,252	-	$ -	70	$ 43,252
III. Training and Recruiting	-	$ 122,163	-	$ 175,359	-	$ 180,876	-	$ 5,517	-	$ 3,036	-	$ 2,481
IV. Operating Funds and Unit Level Maintenance	-	$ 1,120,578	-	$ 947,400	-	$ 1,061,574	-	$ 114,174	-	$ 57,573	-	$ 56,601
V. Centrally Managed Accounts	-	$ 192,820	-	$ 183,150	-	$ 207,954	-	$ 24,804	-	$ 2,578	-	$ 22,226
VI. Intermediate and Depot Level Maintenance	-	$ 711,934	-	$ 630,547	-	$ 710,729	-	$ 80,182	-	$ 7,533	-	$ 72,649
Emergency Hurricane/GWOT/Tsunami Relief Supplemental		$ -		$ 131,075		$ -		$ (131,075)		$ -		$ (131,075)
Subtotal, Enacted Appropriations and Budget Estimates	**45,393**	**$ 5,240,825**	**45,843**	**$ 5,310,555**	**46,284**	**$ 5,518,843**	**441**	**$ 208,288**	**91**	**$ 77,829**	**350**	**$ 130,459**
Adjustments for Other Funding Sources:												
DOD Transfer Iraqi Freedom Fund (P.L. 109-148)		[38,000]		$ 100,000		$ -		$ (100,000)		$ -		$ (100,000)
Appropriations (P.L. 108-324, P.L. 109-13)		[145,685]										
DOD Transfer Hurricane Relief (P.L. 109-148)		$ -		$ -		$ -		$ -		$ -		$ -
Net, Enacted Appropriations & Budget Estimates	**45,393**	**$ 5,240,825**	**45,843**	**$ 5,410,555**	**46,284**	**$ 5,518,843**	**441**	**$ 108,288**	**91**	**$ 77,829**	**350**	**$ 30,459**
Less Rescission pursuant to P.L. 108-11				$ 15,191								
Net, Enacted Appropriations & Budget Estimates	**$ -**	**5,240,825**	**$ 45,843**	**5,395,364**	**$ 46,284**	**5,518,843**	**$ 441**	**108,288**	**$ 91**	**77,829**	**$ 350**	

NOTE 1: Funding shown does not include $236,750,000 apportioned for the Medicare-Eligible Retiree Healthcare Fund contribution in FY 2005. It was separated out of the Operating Expenses appropriation for presentation purposes only. Beginning in FY 2006, the contribution was no longer allocated to the Operating Expenses appropriation, but to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

NOTE 2: FY 2005 column does not reflect a $9.453M anticipated reimbursable not yet received.

NOTE 3: FY 2005 numbers display supplemental funding ($38M DOD transfer and $145.685M hurricane supplemental) as a non-add, as the assumption is that all supplemental funding has been obligated and is reflected in the PPA spread.

III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Program Performance Justification
(Dollars in thousands)

PPA I: PERSONNEL RESOURCES

	Perm Pos	FTE	Amount
2005 Actual[1]	**39,387**	**39,717**	**$2,612,475**
2006 Revised Enacted	**39,764**	**39,891**	**2,716,842**
2007 Adjustments-to-Base	156	280	64,325
2007 Current Services	**39,920**	**40,171**	**2,781,167**
2007 Program Change	180	91	7,109
2007 Request	**40,100**	**40,262**	**2,788,276**
Total Change 2006-2007	336	371	71,434

The Coast Guard requests $2.8 billion for this activity. This is an increase of $71 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Requests funding for expenses related to compensation and benefits for active duty military personnel. This category includes pay, allowances, employer's share of FICA, Social Security credits and other expenses associated with compensating military personnel. Costs related to compensation are calculated by using the Coast Guard's Standard Personnel Cost (SPC) tables. These annually updated tables provide a detailed calculation for each billet, broken down by rank/rate, whether or not the billet is assigned in the country (INCONUS) or out of the country (OCONUS – which includes AK and HI), medical costs and permanent change of station (PCS) costs. Calculations for medical cost estimates are the same for each billet. Calculations for PCS moves and base pay are based upon rank and location of billet. Pay estimates also take into consideration OMB published pay inflation factors for the fiscal year in question.

The Coast Guard committed to our people...and our people committed to the Coast Guard.

An investment in active duty military personnel will ensure that the service will remain "Semper Paratus" (Always Ready). The service was founded as a military, multi-mission, maritime service and continues to be ready, aware and responsive across the full range of the Coast Guard's eleven mission programs. As the Nation's maritime first responder, the Coast

[1] For comparability, funding shown does not include $236,750,000 apportioned for the Medicare-Eligible Retiree Healthcare Fund contribution in FY 2005. It was separated out of the Operating Expenses appropriation for presentation purposes only. Beginning in FY 2006, the contribution was no longer allocated to the Operating Expenses appropriation, but to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

Guard must not only be effective in its daily operations, but must also remain ready for emergencies and contingencies; it must be aware of maritime conditions and activities in order to detect, deter and defeat threats early; and when called it must be responsive with the right capabilities at the right time.

Dedicated Coast Guard personnel, as members of one of the Nation's five Armed Services, conduct the missions that protect the public, the environment and U. S. economic interests – in the Nation's ports and waterways, along the coast, on international waters and in any maritime region required to support Homeland National Security. What makes the Coast Guard unique is that in executing the diverse missions assigned, contradictory mandates are harmonized by its military workforce. Coast Guard personnel are charged to be sailors, police, warriors, humanitarians, regulators, stewards of the environment, diplomats and guardians of the coast – military, multi-mission and maritime. Coast Guard forces are flexible, rapidly deployable and able to respond to crises with a full range of capabilities. Coast Guard forces capitalize upon their multi-mission synergies to prevent maritime incidents, protect the U. S. Maritime Domain, and respond to and recover from incidents that do occur.

Funding requested will support the anticipated FY 2007 pay raise for all military service members (pay inflation rate is currently estimated at 2.2%), annualize military FTE introduced in FY 2006, and also provide new personnel for the Maritime Security Response Team (30 FTE) and the National Capital Region Air Defense (NCRAD) initial crews (61 FTE).

PPA II: CIVILIAN PAY AND BENEFITS

	Perm Pos	FTE	Amount
2005 Actual	**6,308**	**5,676**	**$480,873**
2006 Revised Enacted	**6,414**	**5,952**	**526,182**
2007 Adjustments-to-Base	13	70	43,252
2007 Current Services	**6,427**	**6,022**	**569,434**
2007 Program Change	...	...	...
2007 Request	**6,427**	**6,022**	**569,434**
Total Change 2006-2007	13	70	43,252

The Coast Guard requests $569.4 million for this activity. This is an increase of $43.3 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Requests funding for expenses related to compensation and entitlements for Federal civilian employees. The workforce is composed of General Schedule (GS) personnel, Administrative Law Judges (AL), Senior Executive Service (SES) personnel, personnel whose salaries are Administratively Determined (AD) (e.g. Coast Guard Academy civilian faculty members), Wage Grade (WG) positions employed in industrial operations and "Non-Ceiling" (NC) employees (e.g., cooperative education students, student aids, summer interns, and federal junior fellows). Costs related to compensation are calculated by using the Coast Guard's Standard Personnel Cost (SPC) tables. These annually updated tables provide a detailed calculation for each billet, broken down by pay grade and whether or not the position is

assigned in the country (INCONUS) or out of the country (OCONUS – which includes AK and HI). Calculations for base pay are based upon position and location of position, and also take into consideration OMB published pay factors for the fiscal year in question.

The Coast Guard committed to our people... and our people committed to the Coast Guard.

The Coast Guard's civilian personnel are dedicated professionals who contribute daily across the full range of the Coast Guard's eleven mission programs. Civilian personnel stand side-by-side military personnel in filling the rolls of this nation's maritime first responder. Civilian personnel help maintain daily mission effectiveness, help prepare for emergencies and contingencies and help to ensure maritime domain awareness. These dedicated personnel support and conduct the missions that protect the public, the environment and U. S. economic interests – in the Nation's ports and waterways, along the coast, on international waters in any maritime region required to support national security.

Funding requested will support the anticipated FY2007 pay raise for all civilian personnel (pay inflation rate is currently estimated at 2.2%) and annualize civilian FTE introduced in FY 2006.

In FY 2005, Coast Guard military service members, civilian employees and auxiliarists:

- Responded to more than 32,000 calls for assistance and saved the lives of over 5,500 mariners in distress and rescued an additional 33,735 in response to Hurricane Katrina.
- Conducted more than 115,800 recreational vessel safety checks and more than 20,000 inspections of commercial vessels.
- Ensured, through its Vessel Traffic Service, the safe passages of more than one million commercial vessels through congested harbors.
- Maintained more than 50,000 Federal aids to navigation along 25,000 miles of marine transportation routes.
- Provided ice safety information through International Ice Patrol sorties, to facilitate the movement of 1,128,235 tons of cargo during the North Atlantic ice season.
- Issued over 270,000 certificates of documentation to vessel owners and operators.
- Boarded more than 6,000 fishing vessels to enforce safety and fisheries management regulations, a 30 percent increase over 2004.
- Responded to 23,904 reports of water pollution or hazardous material releases resulting in 4,015 pollution response cases.
- Prevented more than 338,000 pounds of cocaine and over 10,000 pounds of marijuana from reaching the U. S.
- Interdicted nearly 9,500 undocumented migrants attempting to enter the country illegally by sea.
- Conducted more than 268,000 surface patrols and 5,800 air patrols for port security.
- Conducted more than 26,000 port security boardings.
- Escorted over 10,000 vessel transits in U. S. ports.

PPA III: TRAINING AND RECRUITING

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$122,163**
2006 Revised Enacted	...	...	**175,359**
2007 Adjustments-to-Base	...	...	2,481
2007 Current Services	...	...	**177,840**
2007 Program Change	...	...	3,036
2007 Request	...	...	**180,876**
Total Change 2006-2007	...	...	5,517

The Coast Guard requests $181.1 million for this activity. This is an increase of $5.5 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This request funds the Coast Guard's professional training and education programs, as well as operation and maintenance of the seven major Coast Guard training centers and the Coast Guard Academy/Leadership Development Center. It requests funding for all Coast Guard recruiting operations, ensuring that sufficient numbers of qualified individuals enter the military workforce to account for normal attrition factors and position growth. Coast Guard recruiting is a nationwide endeavor; as such, recruiters cover broad geographic areas with diverse socioeconomic conditions in competing for a limited pool of qualified recruits. Additionally, this request includes funding for tuition, travel and per diem for formal training and education performed as temporary additional duty (TAD) by military service members and civilian personnel. "Formal training and education" is defined as structured, curriculum-based instruction and applied exercises for the attainment and retention of skills and knowledge required to accomplish specific job tasks. This training and education is usually conducted by dedicated resident staffs in classrooms, but may also include exportable training, correspondence courses and/or computer-based training, which follow a formal schedule with supporting lesson plans requiring interaction or evaluation of the students or participants. The requested funding is required to ensure that the training infrastructure is adequately resourced to provide Coast Guard personnel with the tools and training necessary for the missions assigned and to ensure that, when called upon, the Coast Guard is responsive with the right capabilities at the right time. From entry-level personnel through senior leadership, the Coast Guard focuses its training resources to embed those competencies that will maximize operational capabilities. The full gamut of the Coast Guard's capabilities and competencies was on display in FY 2005, from hurricane and pollution response to record-setting levels of drug interdiction to sustained defense operations in the Persian Gulf. The foundation of a high level of workforce performance and continued mission success is the Coast Guard's training and education programs. Additionally, new and augmented capabilities, such as Coast Guard participation in the inter-agency capable Maritime Security Response Team (MSRT), require specialized training in order to be effectively deployed.

Funding requested will support non-pay related inflation costs to support training centers and recruiting office operations. It will also support required training for the Coast Guard members of a new Maritime Security Response Team and personnel assigned to the NCRAD mission.

PPA IV: OPERATING FUNDS AND UNIT LEVEL MAINTENANCE

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$1,120,578**
2006 Revised Enacted	...	...	**947,400**
2007 Adjustments-to-Base	...	...	56,601
2007 Current Services	...	...	**1,004,001**
2007 Program Change	...	...	57,573
2007 Request	...	...	**1,061,574**
Total Change 2006-2007	...	...	114,174

The Coast Guard requests $1.1 billion for this activity. This is an increase of $114 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Requests funding to units, facilities and activities that are under the direct operational and administrative control of the Coast Guard's Atlantic Area or Pacific Area Commanders. These include Maintenance Logistics Commands (MLCs), Integrated Support Commands (ISCs), High and Medium Endurance Cutters (WHECs/WMECs), Communication Stations, Maritime Safety and Security Teams (MSSTs), and Area Offices as applicable, for supplies, materials and services that allow the Coast Guard to sustain an operations tempo with an immediate response capability for Coast Guard missions. Maintenance of the cutters' hulls, mechanical systems, electrical equipment, and small boats; procurement of supplies and materials utilized for unit "housekeeping" and administration, spare parts, fuel and energy; funding of personnel support programs; and other materials consumed all contribute directly to mission effectiveness.

As a result of resources received, several Coast Guard programs have been able to set increasing targets of performance in the five-year outlook. For example, the planned FY 2007 Drug Interdiction performance increase of 4% in the cocaine removal rate is possible, due in part to continued funding for Airborne Use of Force (AUF) initiatives and recent increases in Maritime Patrol Aircraft (MPA). The funds requested for the National Capitol Region Air Defense initiative and Maritime Security Response Team are critical to reducing the risk of attacks against high value assets and key infrastructure, a goal most closely aligned with the Ports, Waterways and Coastal Security (PWCS) mission-program. In addition, the funds requested ensure no degradation to other mission-programs by providing funds for additional airframes to sustain the increased mission demand.

Other increases in Coast Guard performance are better explained through the *holding steady* of performance levels against a more challenging future environment. An example is the Living Marine Resources (Domestic Fisheries Enforcement) mission-program, which has forecasted

its FY 2007 performance (97% compliance) at FY 2006 levels. Recent trends favor the growth of more-difficult-to-enforce regulations, such as individual fishing quotas and larger closed areas. The Merchant Mariner Licensing and Documentation program, by centralizing critical security vetting and mariner credentialing processes in a new and enhanced National Maritime Center, will dramatically improve security on our Nation's waterways, while facilitating efficient service to mariners.

The planned relocation to Alaska of a more capable high endurance cutter and the associated decommissioning of the cutters STORIS and GENTIAN (reflecting a cost savings of $3.6M) are examples of positive steps the Coast Guard is taking to increase efficiencies within its budget while maintaining high mission performance. Other efficiencies include personnel reductions and management efficiencies that contribute to streamlining overhead costs – these efforts will allow us to re-direct funding towards sustaining our current operational tempo.

Requested funds will support the annualization of new operations introduced in FY 2006 and account for non-pay related inflation associated with maintenance and procurement of supplies and consumables. Funding will also provide initial operating funding for the NCRAD mission; support an aggressive financial audit remediation effort to establish a more refined financial accountability process; establish a Counterintelligence program for the Coast Guard; and begin initial phases of Coast Guard Headquarters move to the Saint Elizabeths campus.

PPA V: CENTRALLY MANAGED ACCOUNTS

	Perm Pos	FTE	Amount
2005 Actual	**...**	**...**	**$192,820**
2006 Revised Enacted	**...**	**...**	**183,150**
2007 Adjustments-to-Base	...	...	22,226
2007 Current Services	**...**	**...**	**205,376**
2007 Program Change	...	...	2,578
2007 Request	**...**	**...**	**207,954**
Total Change 2006-2007	...	...	24,804

The Coast Guard requests $208 million for this activity. This is an increase of $24.8 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This Project, Program/Activity (PPA) represents centrally managed accounts at Coast Guard Headquarters, which provide service to the entire Coast Guard. Some of the larger central accounts include: the Federal Telephone System (FTS), Standard Workstation recapitalization, Coast Guard Data Network (CGDN), postal expenses, Government Services Administration (GSA) rent, ammunition replenishment, and DHS Working Capital Fund. To remain ready, aware and responsive in all Coast Guard missions, this PPA maintains a continuous and consistent level of service which directly affects the operation and management of the Coast Guard in a broad range of areas.

For example, the FTS, Standard Workstation, CGDN, and Information Technology (IT)

services contained within the DHS Working Capital Fund all provide dependable voice and data communications critical to Coast Guard operations. The FTS account pays for all telephone communications in the Coast Guard. Operationally, telephone and Standard Telephone Equipment (STE) [formerly known as STU-III] communications are the primary means of passing time critical operational information. The Coast Guard depends upon STE communications to update the Electronic Key Material System (EKMS) codes to relay timely and secure voice information. As progress is made towards e-Coast Guard both for administration and operations, the Coast Guard is becoming more and more dependent upon the enterprise applications available on the Coast Guard Standard Workstation. Coast Guard field units require access to Coast Guard data systems to update operational databases such as the Marine Information for Safety and Law Enforcement (MISLE) and the Abstract of Operations (AOPS) systems; these critical databases capture marine safety and law enforcement data for underway and shore-based Coast Guard boarding teams. Of equal importance is maintaining the CGDN, which is the backbone of the Coast Guard's IT and communication systems. All operational message traffic and electronic communication through the Standard Workstation passes through this data network.

In addition to the above mentioned C4&IT examples, the Coast Guard ammunition replenishment account is critical to maintaining Coast Guard boarding officer and cutter combat team proficiency, through the use of live ammunition when training in small arms and cutter weapon systems. Other accounts such as the Postal Account, GSA Rent and DHS-shared services in the Working Capital fund maintain a single-point for payment, which maximizes management efficiencies. Because these accounts are centralized within this PPA, the Coast Guard maintains positive control on projections, spending and reconciliation of these necessary services which support Coast Guard infrastructure. With a reliable means to account and pay for these necessary services, the Coast Guard support infrastructure is in place to support the Coast Guard in carrying out the eleven mission programs.

Funding requested will support the procurement of Secret Internet Protocol Router Network (SIPRNET) capability for field units, and account for non-pay related inflation related to increased GSA rent costs, postage rates and communications services (such as phone and internet).

PPA VI: INTERMEDIATE AND DEPOT LEVEL MAINTENANCE

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$711,934**
2006 Revised Enacted	...	...	**630,547**
2007 Adjustments-to-Base	...	...	72,649
2007 Current Services	...	...	**703,196**
2007 Program Change	...	...	7,533
2007 Request	...	...	**710,729**
Total Change 2006-2007	...	...	80,182

The Coast Guard requests $710.9 million for this activity. This is an increase of $80.2 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This request provides service-wide funding for the Coast Guard's base level operating expense (OE) funded maintenance for the service's shore facilities, vessels and aircraft. The Coast Guard maintains its aircraft, vessels and shore infrastructure using organic maintenance and repair infrastructure in conjunction with contracted depot-level maintenance activities. A mature project planning and execution program exists within the Coast Guard to provide routine unit-level and depot-level maintenance. Where expertise or infrastructure does not exist organically within the service, the Coast Guard uses contracted resources to provide the requisite maintenance support.

The Coast Guard's maintenance planning process involves every level of the organization including: (1) field level input provided in casualty, mishap and annual unit engineering reports; (2) engineering/support provider input in the form of regional maintenance data/trend analysis, observations of experienced support/engineering personnel and prioritization of issues/needs; and (3) Coast Guard Headquarters involvement in the collation of CG-wide data/trend analysis, input from the Atlantic and Pacific Area Commanders and their support providers, and development of corrective strategies.

Aircraft. Request includes service-wide funding to support the major maintenance and repair of Coast Guard aircraft not appropriated in the Coast Guard Acquisition, Construction and Improvements (AC&I) appropriation. This category includes: materials, services and supplies necessary for depot-level repair, maintenance, modification and overhaul of aircraft and aircraft equipment, including associated avionics; transportation of aircraft and aeronautical materials and equipment; and procurement and overhaul of aircraft ground handling and support equipment. Request also includes funding for general expenses related to inventory and engineering design, alteration and modification services in support of the Coast Guard aircraft.

This funding request supports intermediate and depot-level aircraft repair. Coast Guard rotary wing aircraft and fixed wing HU-25s are continuously rotated out of operational service to allow for programmed depot maintenance (PDM) at the Coast Guard Aircraft Repair and Supply Center (ARSC) in Elizabeth City, NC. This funding also provides for contractor support to conduct PDM on the service's HC-130Hs, as ARSC does not have this capacity. All PDM is based upon established service standards. The purpose of the aircraft PDM program is to (1) provide periodic inspection of areas of an aircraft which are not accessible without extensive disassembly, (2) perform heavy maintenance which is beyond the capability of operating units, and (3) incorporate changes and modifications which are too extensive to perform at the operating unit level.

Vessels. Request includes service-wide funding to support the major maintenance and repair of Coast Guard vessels not appropriated in the Coast Guard Acquisition, Construction and Improvements (AC&I) appropriation. Request includes funding to support the procurement, installation, replacement and support of standard hull, mechanical, electrical and electronic systems not provided in the Coast Guard's Acquisition, Construction and Improvements (AC&I) appropriation. Request also includes funding for general expenses related to inventory and engineering design, alteration and modification services in support of the Coast Guard

vessels.

Coast Guard vessels are regularly scheduled for programmed depot maintenance based upon established service standards. In addition to ship repair work provided by the Coast Guard Yard in Curtis Bay, MD, the Coast Guard routinely uses ship repair facilities/contractors to complete depot level maintenance via competitive contracts. The Coast Guard manages vessel base OE legacy asset maintenance funding using standard support levels (SSLs) established for each vessel class of asset at the time of asset acquisition and adjusted annually for inflation. Actual expenditures vary from the SSL as the Coast Guard's maintenance managers shift resources to deal with their most immediate fleet maintenance challenges, often using funds from another vessel's SSL or outside sources to ensure availability of the most critical Coast Guard assets.

Shore Infrastructure. Request includes service-wide funding for major, nonrecurring facility maintenance to ensure the integrity of the shore infrastructure, maximize facility economic life and avoid large recapitalization expenses. This request includes funding for repairs, rebuilding, renovation, improvement and other services provided by the Coast Guard's Civil Engineering program not appropriated in the Coast Guard's AC&I appropriation. This category includes support of Coast Guard owned buildings, structures, grounds, roads, towers and runways. It also includes support for fixed Aids to Navigation (AtoN) structures (ashore and offshore); major non-consumable equipment used to support the shore plant (e.g., generators, compressors, concrete mixers, truck cranes); underground storage tanks; non-consumable ATON equipment in lighthouses and lighted ranges (light and sound signals, and power systems); Coast Guard housing; and morale, well-being and recreational facilities.

Funding requested will support the first phase of the Self-Contained Breathing Apparatus purchase (which will replace the obsolete Oxygen-Breathing Appratus (OBA)) on all cutters in the Coast Guard), exit costs related to the closure of Long-Range Aids to Navigation (LORAN)-C system and other non-pay related inflation associated with the maintenance of shore, cutter and aircraft infrastructure.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and

- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

III. Current Services Program Description by PPA

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Transfers to and from Other Accounts **$5,000**

A. National Capital Region Transfer From CBP **$5,000**

Strategic Goal(s) & Objectives: 2.4, 3.4, 7.5

PPA Breakdown - National Capital Region Transfer from CBP		Total ($000)
PPA III: Training and Recruiting		
	Recruiting and Training Centers	15
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	4,190
	Headquarters Directorates	336
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	459
		5,000

The Air Defense mission in the National Capital Region rests with the Department of Defense (DOD) under the construct of OPERATION NOBLE EAGLE. Through a Memorandum of Understanding, DOD has assigned this requirement to the Department of Homeland Security (DHS). As the Coast Guard is the agency within the Department best suited to execute this mission, it has been designated for this mission. Resources found within other DHS agencies operating base that support this mission will be transferred to the Coast Guard, resulting in a $5 million operating funds transfer from Customs and Border Protection's (CBP) base to the Coast Guard to support its execution of the Air Intercept mission.

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Increases **$325,707**

A. Annualization of Prior Year Funding **$93,310**

Strategic Goal(s) & Objectives: 1.1, 1.2, 1.3, 1.4, 2.1, 2.3, 2.4, 2.5, 2.6, 3.1, 3.2, 3.6, 3.7, 4.2, 4.3, 5.1, 5.2, 6.3, 6.4, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7

PPA Breakdown - Annualization of Prior Year Funding		Total ($000)
PPA I: Military Personnel (440 FTE)		
	Military Pay and Allowances	48,042
	Military Health Care	6,268
PPA II: Civilian Personnel (62 FTE)		
	Civilian Pay and Allowances	6,012
PPA III: Training and Recruiting		
	Training and Education	4,546
	Recruiting and Training Centers	1,402
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	1,225
	Pacific Area / 11th District	4,248
	1st District	191
	7th District	116
	8th District	23
	9th District	19
	13th District	35
	14th District	61
	17th District	52
	Headquarters Directorates	8,492
	Headquarters Units	2,358
PPA V: Centrally Managed Accounts		
	Central Accounts	2,037
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	6,264
	Electronics Maintenance	381
	Civil/Ocean Engineering and Shore Facility Maintenance	331
	Vessel Maintenance	1,207
		93,310

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Certain projects and programs for which resources were first provided in FY 2006 were funded for only part of the year. Additional funding and full-time equivalents (FTE) are required to provide full year resources.

FY 2006 Line Items	FTE (Mil)	FTE (Civ)	FY 2007 Funding ($000)
Mandatory Personnel Entitlements	0	0	16,481
Shore Facility Construction Follow-On	0	7	609
Patrol Boat Follow-On	16	0	1,334
Response Boat-Medium Follow-On	1	0	119
Operate C-130J	10	0	6,118
Maritime Domain Awareness Follow-On	88	9	13,042
Airborne Use of Force Follow-On	40	0	3,608
Maritime Law Enforcement School Relocation To FLETC	6	2	1,215
Operate National Security Cutter (NSC) #1	80	0	11,752
Deepwater C4ISR Upgrades - Follow-On	19	2	1,943
Increased Port Presence and LNG Transport Security	80	11	11,587
Enhanced Cutter Boat Response	2	0	4,539
Common Operational Picture	6	5	3,784
Increase Maritime Patrol Aircraft Operations	82	17	13,191
Area Maritime Security Plan (AMSP)	10	9	3,988
Total	**440**	**62**	**93,310**

B. FY 2007 Pay Increase

1. Mandatory Personnel Entitlements.....$63,725

Strategic Goal(s) & Objectives: 7.3

PPA Breakdown - Mandatory Personnel Entitlements		Total ($000)
PPA I: Military Personnel		
	Military Pay and Allowances	37,875
	Military Health Care	6,108
	Permanent Change of Station	254
PPA II: Civilian Personnel		
	Civilian Pay and Allowances	19,488
		63,725

Request three quarter funding for the FY 2007 proposed military pay raise (2.2%) and civilian pay raise (2.2%) becoming effective on January 1, 2007. Also, requests funding for DOD personnel and policy mandates (such as housing allowances) and projected mandatory military entitlement increases and thirdly, funds medical inflation costs above non-pay Cost of Living Allowance (COLA).

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C. Non-Pay Adjustments

1. Non-Pay Inflation.....$44,008

Strategic Goal(s) & Objectives: 7.7

PPA Breakdown - Non-Pay Inflation		Total ($000)
PPA I: Military Personnel		
	Military Health Care	9,385
	Permanent Change of Station	1,688
PPA III: Training and Recruiting		
	Training and Education	1,429
	Recruiting and Training Centers	1,590
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	3,769
	Pacific Area / 11th District	4,255
	1st District	1,073
	7th District	1,363
	8th District	907
	9th District	608
	13th District	463
	14th District	337
	17th District	555
	Headquarters Units	2,389
PPA V: Centrally Managed Accounts		
	Central Accounts	3,287
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	3,979
	Electronics Maintenance	1,757
	Civil/Ocean Engineering and Shore Facility Maintenance	2,722
	Vessel Maintenance	2,452
		44,008

Coast Guard operations rely heavily upon contract support for items such as capital asset maintenance, domestic services, cutter and aircraft deployment logistics, food services and procurement. Price escalation for goods and services during FY 2006 must be accommodated. Funding is requested at the non-pay inflation rate of 1.7% to ensure that maintenance and logistics contracts are adequately funded

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to maintain essential services and enable the Coast Guard to execute its statutory responsibilities for the American public in FY 2006.

2. Operational Adjustments $66,764

Strategic Goal(s) & Objectives: 2.1, 7.3, 7.4, 7.6, 7.7

PPA Breakdown - Operational Adjustments		Total ($000)
PPA I: Military Personnel		
	Military Pay and Allowances	105
PPA III: Training and Recruiting		
	Recruiting and Training Centers	700
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	7,000
	Pacific Area / 11th District	8,500
	1st District	3,000
	7th District	4,800
	8th District	1,300
	9th District	1,000
	13th District	800
	14th District	900
	17th District	1,800
	Headquarters Directorates	1,067
	Headquarters Units	200
PPA V: Centrally Managed Accounts		
	Central Accounts	9,641
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	13,724
	Electronics Maintenance	3,950
	Civil/Ocean Engineering and Shore Facility Maintenance	4,477
	Vessel Maintenance	3,800
		66,764

GSA Rent and Security Charges ($5, 541): This request provides funding for GSA lease expenses associated with rental costs increasing faster than COLA ($5.105M), changes in GSA basic security service costs ($436K), and additional space requirements to accommodate new billets.

Postal Account – Postal Rate Increases in FY 2006 ($500): Request funding to cover increased postage costs. The U.S. Postal Service, FY 2006 rate increase will result in additional official mail costs

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for all of Coast Guard units that use postage meters or penalty mail stamps. The amount requested will ensure that the postal account is fully funded to make required payments to the U.S. Postal Service for Coast Guard mailings.

Depot Level Maintenance Exceeding Non-Pay COLA ($21,300): This request seeks to ensure adequate funding, for depot level maintenance, adjusted for industry specific inflation that exceeds the 1.7% Non Pay COLA. Estimate is based on the industry standard.

Energy Account Increase ($30,000): This request will fund current energy cost shortfalls and offset expected future year price increases. The Coast Guards Energy Account pays for all aircraft, cutter and shore side fuel oil, electricity, natural gas. In September 2004 the Defense Energy Support Center (DESC), the Department of Defense (DOD) service that purchases and provides fuel to all DOD and Coast Guard activities, substantially increased all of its contract fuel prices for FY 2005. Fuel funding, which includes cutters, aircraft and small boats in the Energy Budget Model, accounts for 63 percent of the total budget model. With the substantial increase in fuel prices in FY 2005, an increase in Coast Guard Deepwater assets, and an expanding Coast Guard-wide consumption of electricity, natural gas and heating oil, the Energy Account must be increased to ensure Coast Guard energy needs are fully funded.

DoD Authorization Act ($105): Active Duty and Reserve Coast Guard members are entitled to benefits enacted in the annual National Defense Authorization Act (NDAA). In FY 2007, the Coast Guard requests funding associated with potential NDAA items, including temporary lodging expenses for dependents of deceased members and to pay interest to members for pay in arrears more than one month.

Government Services Increase ($1,067): This request will provide funding for the Coast Guard to reimburse the National Telecommunication and Information Administration (NTIA), Office of Spectrum Management, for increased operating expenses incurred for the management of approximately 17,000 radio frequency assignments, supporting all CG missions. NTIA, within the Department of Commerce, under delegated authority from the President, manages the use of the federal radio frequency spectrum. The payment of this fee allows the Coast Guard to maintain frequency authority on its assigned frequencies. Under Public Law NTIA shall charge federal agencies for costs incurred for spectrum management, analysis, operations, and related services. Pursuant to the NTIA Organization Act, 47 U.S.C. 902-903, NTIA shall not authorize any spectrum use or provide any spectrum functions without reimbursement. In addition the request will provide funding for records storage to the National Archives.

Operational Adjustments ($8,251): This request allocates additional funding for the Program, Project and Activity (PPA) V (Central Accounts) and PPA VI (Intermediate and Depot Level Maintenance) Accounts. Reducing aviation inventory level stocking gaps to better manage operational risk exposure, increasing facility and infrastructure maintenance due to excessive coastal maritime exposure, and providing additional maintenance on our legacy patrol boats and aging inland Aids To Navigation (AtoN) assets have place increased demands on PPA VI. PPA V has also realized limited funding

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availability to keep up with the demand of its recurring "bills". Specifically, this will fund ammunition and armament to sustain field operations as they continue to grow, GSA Security Assessments at GSA leased facilities and the increased demand for buoy maintenance.

D. Operating and Maintenance Funds for New Facilities

1. Shore Facility and ATON Infrastructure Follow-On.....$3,347

Strategic Goal(s) & Objectives: 2.1, 2.2, 2.3, 2.4, 3.1, 3.6, 3.7, 4.2, 4.3, 5.2, 7.7

PPA Breakdown - Shore Facility and ATON Infrastructure Follow-On		Total ($000)
PPA III: Training and Recruiting		
	Recruiting and Training Centers	380
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	82
	Pacific Area / 11th District	165
	1st District	200
	7th District	12
	8th District	14
	9th District	35
	13th District	356
	17th District	136
	Headquarters Directorates	475
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	82
	Civil/Ocean Engineering and Shore Facility Maintenance	1,410
		3,347

This request provides follow-on operations and maintenance funding for AC&I shore facility projects scheduled for completion prior to FY 2007. This funding includes the day-to-day operation and maintenance costs (i.e. energy requirements, utility service, routine repairs and maintenance, housekeeping costs, and non-capital equipment) as well as major, non-recurring repair costs (i.e. building improvement, rehabilitation, etc.) anticipated throughout the life of each asset. Since such costs increase with facility age, a historically based average is used to cover non-recurring needs which typically include replacing roofs and heating, ventilation, and air-conditioning systems; improving energy efficiency; upgrading major electrical services; renovating; and other middle and later life facility needs. Also requests funding for resources to operate and maintain Aids to Navigation (AtoN) acquired in FY 2006. These new aids are required to mark new or considerably altered waterways created by major dredging project in Pascagoula, MS, and Cape Fear, NC.

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2. Defense Message System (DMS) Follow-On.....$700

Strategic Goal(s) & Objectives: 1.1, 1.3, 1.4, 2.1

PPA Breakdown - Defense Message System (DMS) Follow-On		Total ($000)
PPA II: Civilian Personnel (1 FTP, 1 FTE)		
	Civilian Pay and Allowances	67
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	1
PPA V: Centrally Managed Accounts		
	Central Accounts	7
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	625
		700

Request funding to support the Defense Messaging System (DMS) for all 30,000 Coast Guard military messaging users and 24 X 7 Local Control Center (LCC) operations. This includes costs for DMS component hardware, software and training, as well as additional circuit costs and hardware/software upgrades required at the LCC to support all DMS users. Also requests funding for a permanent civilian billet to replace the temporary billet managing this system. DMS is a DOD mandated program that will replace the antiquated Automated Digital Network (AUTODIN) record messaging system.

3. High Frequency (HF) Recapitalization and Modernization Follow-On.....$150

Strategic Goal(s) & Objectives: 1.1, 1.3, 1.4, 2.1

PPA Breakdown - High Frequency (HF) Recapitalization and Modernization Follow-On		Total ($000)
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	150
		150

This request ensures the newly-installed high-frequency systems (the recapitalization and modernization project begun in FY 2002 and continuing through FY 2006) are adequately supported throughout their life cycle.

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4. Response Boat-Medium Follow-On.....$785

Strategic Goal(s) & Objectives: 2.1, 2.2, 2.3, 2.4, 3.1, 3.6, 3.7, 4.2, 4.3, 5.2, 7.7

PPA Breakdown - Response Boat - Medium Follow-on		Total ($000)
PPA I: Military Personnel (3 FTP, 3 FTE)		
	Military Pay and Allowances	206
	Military Health Care	19
	Permanent Change of Station	28
PPA III: Training and Recruiting		
	Training and Education	7
	Recruiting and Training Centers	8
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	15
	Pacific Area / 11th District	7
	1st District	11
	7th District	16
	8th District	13
	9th District	12
	13th District	1
	14th District	2
	Headquarters Directorates	300
PPA V: Centrally Managed Accounts		
	Central Accounts	24
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	80
	Vessel Maintenance	36
		785

This request provides personnel and follow-on funding for up to 12 Response Boat – Mediums (RB-M) acquired with funding provided in the FY 2006 Appropriations Bill. The RB-M standardizes the Coast Guard's boat forces by replacing the aging 41-foot Utility Boat (UTB) fleet, which has approached its 25-year service life, and all other medium-sized Non-Standard Boats (NSB) at multi-mission stations. Increased small boat capacity directly supports the Commandant's Ports, Waterways, and Coastal Security Plan and enhances the Coast Guard's Search and Rescue and Law Enforcement missions.

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5. Operate C-130J $11,212

Strategic Goal(s) & Objectives: 1.1, 1.2, 1.4, 2.1

PPA Breakdown - Operate C-130J		Total ($000)
PPA I: Military Personnel (111 FTP, 28 FTE)		
	Military Pay and Allowances	1,583
	Military Health Care	174
	Permanent Change of Station	815
PPA II: Civilian Personnel (2 FTP, 1 FTE)		
	Civilian Pay and Allowances	32
PPA III: Training and Recruiting		
	Training and Education	1,973
	Recruiting and Training Centers	142
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	513
	Headquarters Units	1,617
PPA V: Centrally Managed Accounts		
	Central Accounts	271
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	3,329
	Civil/Ocean Engineering and Shore Facility Maintenance	763
		11,212

Request additional personnel and operating funds to support a 2,000 additional operational flight hours for C-130Js acquired through funding provided in the FY 2001 Military Construction (MILCON) Appropriation Bill and delivered to the Coast Guard in FY 2003 and 2004. This funding is needed to enable the C130Js achieve operational capability and to be introduced into the CG fleet in FY 2008. In order to achieve these additional flight hours, funding of this item must be coupled with the Coast Guard's separate AC&I $5 million request which funds the purchase of spare parts and operation of the Acquisition Project Office (APO); otherwise there will be insufficient funding for simulator training and spare parts to support the additional flight hours.

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6. Maritime Domain Awareness Follow-On $10,601

Strategic Goal(s) & Objectives: 1.1, 1.2, 1.4, 2.1, 2.3, 2.5

PPA Breakdown - Maritime Domain Awareness Follow-On		Total ($000)
PPA I: Military Personnel (6 FTP, 3 FTE)		
	Military Pay and Allowances	179
	Military Health Care	19
	Permanent Change of Station	51
PPA II: Civilian Personnel (9 FTP, 5 FTE)		
	Civilian Pay and Allowances	446
PPA III: Training and Recruiting		
	Training and Education	12
	Recruiting and Training Centers	6
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	2,560
	Pacific Area / 11th District	1,516
	7th District	10
	Headquarters Directorates	4,885
	Headquarters Units	801
PPA V: Centrally Managed Accounts		
	Central Accounts	116
		10,601

Maritime Domain Awareness Follow-On ($6,605): Request funding for contractor support and Sector Command Center (SCC) build out at the following locations: Miami (full staff), San Diego (full staff), Charleston (full staff), Boston (partial staff), and New York (partial staff).

Maritime Awareness Global Network (MAGNET) Follow-On ($996): In the FY 2003 Transportation Appropriations bill, the Coast Guard was provided with $5 million in AC&I funding to construct MAGNET, for storage and dissemination of maritime information. This critical information serves the Coast Guard's operational community, various law enforcement organizations, DHS, the Navy and other U. S. military and intelligence organizations. Request will support operation and maintenance of this system.

National Automatic Information System (NAIS) Follow-On ($3,000): This funding allows for the deployment of 80 NAIS receivers and transmitters per the Memorandum of Agreement with the National Oceanic and Atmospheric Administration (NOAA) National Data Buoy Center (NDBC). Leveraging the NDBC's network of weather buoys and Coastal-Marine Automated Network (C-MAN) stations around the U. S. coastal waters allows for two-way communication systems and obtaining

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reporting vessel and environmental information, which will be used by various organizations including Coast Guard, NOAA, vessels, research organizations and the general public.

7. Airborne Data Communication System (ADCS) $607

Strategic Goal(s) & Objectives: 1.1, 1.3, 1.4, 2.1

PPA Breakdown - Airborne Data Communication System (ADCS)		Total ($000)
PPA I: Military Personnel (2 FTP, 1 FTE)		
	Military Pay and Allowances	77
	Military Health Care	6
	Permanent Change of Station	18
PPA II: Civilian Personnel (1 FTP, 1 FTE)		
	Civilian Pay and Allowances	39
PPA III: Training and Recruiting		
	Training and Education	31
	Recruiting and Training Centers	376
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	15
PPA V: Centrally Managed Accounts		
	Central Accounts	7
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	38
		607

Request funding for operations support to portable mission planning systems (laptops and communications gear) so that aircraft can feed the Coast Guard the Common Operational Picture (COP) – this allows for increased maritime domain awareness by providing near real-time sighting information into Marine Information for Safety and Law Enforcement (MISLE) and the COP; it also improves communication by automating position reporting information and providing text messaging capability with shore stations.

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8. Surface and Air Asset Follow-On.....$30,498

Strategic Goal(s) & Objectives: 1.1, 1.2, 1.3, 2.1, 2.3, 2.4, 3.1, 3.6, 4.2, 4.3, 5.2, 6.3, 7.4, 7.7

PPA Breakdown - Surface and Air Asset Follow-On		Total ($000)
PPA I: Military Personnel (289 FTP, 141 FTE)		
	Military Pay and Allowances	4,640
	Military Health Care	463
	Permanent Change of Station	2,151
PPA II: Civilian Personnel		
	Civilian Pay and Allowances	(74)
PPA III: Training and Recruiting		
	Training and Education	3,785
	Recruiting and Training Centers	666
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	46
	Pacific Area / 11th District	136
	1st District	10
	7th District	117
	8th District	90
	13th District	17
	14th District	29
	Headquarters Directorates	7,122
	Headquarters Units	(30)
PPA V: Centrally Managed Accounts		
	Central Accounts	574
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	8,546
	Electronics Maintenance	464
	Civil/Ocean Engineering and Shore Facility Maintenance	248
	Vessel Maintenance	1,498
		30,498

Airborne Use of Force Follow-On ($20,002): This request is part three of five planned stages to established Armed Use of Force on all Coast Guard helicopters. This request funds the addition of gunners, aviation personnel, ammunition, gear sustainment and training and operational flight hours to support this new mission for 29 helicopters.

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Off-Cycle Crew Support Unit (OCCSU) Phase One Staffing Follow-On ($496): Alameda, CA will become the home for four National Security Cutters (NSCs). The OCCSU will serve as a support unit facility to NSC off-going crews who will provide shore side support. This funding will support seven personnel to begin the stand up of the OCCSU that is critical to the successful integration of the first NSC into the operational fleet.

Operate National Security Cutter ($879): This funding is to operate the first National Security Cutter, to be delivered in August 2007. In addition, funding is identified to support the Pre-Commissioning Detachment (PRECOMDET) for the second NSC.

Deepwater Asset and Upgrade Follow-On Operating Costs ($3,360): Request funding for maintenance support to the SIPRNET capability on Deepwater cutters – secure internet availability with which to pass and receive classified intelligence and information to and from DOD assets and other critical players.

Maritime Patrol Craft Follow-On ($4,348): This provides for 3,500 flight hours for three CASA MPA aircraft and aircraft personnel to operate and maintain the third of three CASA MPA. Two aircraft were funded in FY 2003, with a third in FY 2005, and all aircraft are expected to complete Operational Testing & Evaluation (OT&E) in FY 2006. These 3,500 flight hours, along with 100 annualized OE hours expected in FY 2006, combine to provide three MPA aircraft with 1,200 hours each.

Covert Surveillance Follow-On ($1,413): Provides initial personnel, 600 flight hours and training to operate three covert surveillance aircraft.

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E. Base Re-Allocations (Non-Add)

1. Relocate WHEC / Decommission USCGC Storis ($2.4 million case re-allocation) $0

PPA Breakdown - Relocate WHEC / Decommission USCGC Storis ($2.4 million base re-allocation)		Total ($000)
PPA I: Military Personnel (-86 FTP, -44 FTE)		
	Military Pay and Allowances	(2,117)
	Military Health Care	(189)
	Permanent Change of Station	1,343
PPA III: Training and Recruiting		
	Training and Education	(67)
	Recruiting and Training Centers	(47)
PPA IV: Operating Funds and Unit Level Maintenance		
	Pacific Area / 11th District	9
	Headquarters Directorates	262
PPA V: Centrally Managed Accounts		
	Central Accounts	(71)
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	(30)
	Civil/Ocean Engineering and Shore Facility Maintenance	909
	Vessel Maintenance	(2)
		0

USCGC Storis will be decommissioned and replaced by the High Endurance Cutter, USCGC Munro. Savings from the Storis decommissioning will be used to fund USCGC Munro's relocation from Alameda, CA to Kodiak, AK. Storis, in its current state, is limited in capability – and, as the Storis was commissioned on September 24, 1945, is now also well past its useful service life. Decommissioning the cutter will generate savings, and the replacement of it with a WHEC will increase effectiveness in Alaska's Area of Responsibility (AOR) until new Deepwater replacements come on line. This move is cost-neutral, as the recurring savings generated by STORIS will cover the cost of the move and increase in support costs for the WHEC in that operating area. This request reflects two-quarter fiscal year savings, as the WHEC will be moved during the summer months to coincide with the personnel transfer season; full savings will be annualized in FY 2008 and reflect the full adjustment in the base to support the WHEC in Alaska.

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FY 2007 Line Items	FTE (Mil)	FTE (Civ)	FY 2007 Funding ($000)
USCGC Storis Personnel Reduction	(45)	0	(2,356)
USCGC Storis Operation & Maintenance Reduction	0	0	(692)
USCGC Storis Decommissioning Costs	0	0	640
USCGC Storis Decommission Subtotal	**(45)**	**0**	**(2,408)**
WHEC 378 Move Shore side Personnel Support	1	0	127
WHEC 378 Move Travel and Medical Funds	0	0	978
WHEC 378 Move Facility Operation and Maintenance	0	0	1,303
WHEC 378 Relocation Subtotal	**1**	**0**	**2,408**
Base Re-Allocation (Non-Add) Total	**(44)**	**0**	**0**

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2. PPA Funding Technical Transfers ($36.4 million base re-allocation) $0

PPA Breakdown - PPA Funding Technical Transfers ($36.3 million base re-allocation)		Total ($000)
PPA I: Military Personnel		
	Military Pay and Allowances	(12,947)
	Military Health Care	(828)
	Permanent Change of Station	(588)
PPA II: Civilian Personnel		
	Civilian Pay and Allowances	17,269
PPA III: Training and Recruiting		
	Training and Education	(5,600)
	Recruiting and Training Centers	98
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	2,341
	Pacific Area / 11th District	1,614
	9th District	150
	13th District	(820)
	Headquarters Directorates	(15,565)
	Headquarters Units	916
PPA V: Centrally Managed Accounts		
	Central Accounts	8,545
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	1,034
	Electronics Maintenance	4,381
		0

Request recurring technical base adjustments which either 1) moves funding to the appropriate PPA for compliance with Coast Guard financial management policy, or 2) is a result of billet conversions, upgrades or other personnel transactions. All requested adjustments retain the original intent and purpose of the dollars appropriated; however, the PPA to properly execute these items is different than originally appropriated. For example, the Coast Guard has adopted the policy of permanently distributing unit level training funds to the field. In order to efficiently execute this policy using our accounting structure, the funds need to be moved from PPA III (Training and Recruiting) to PPA IV (Operating and Maintenance). In addition, personnel funding transactions involve converting military billets to civilian positions and civilian position upgrades. Billet conversions are in accordance with GAO guidance to change military billets funded in PPA I (Military Pay and Allowances) with inherently civilian job functions, to civilian positions funded in PPA II (Civilian Pay and Allowances), and civilian upgrades are funded by operational commanders in PPA IV that need to be executed from PPA II.

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Decreases **($300,248)**

A. Termination of One Time Costs ..... ($21,026)

PPA Breakdown - Termination of One Time Costs		Total ($000)
PPA I: Military Personnel		
	Military Pay and Allowances	49
	Permanent Change of Station	(3,703)
PPA III: Training and Recruiting		
	Training and Education	(7,175)
	Recruiting and Training Centers	(164)
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	(109)
	Pacific Area / 11th District	(176)
	1st District	(484)
	7th District	(4)
	8th District	(26)
	9th District	(4)
	13th District	(4)
	14th District	(4)
	17th District	(4)
	Headquarters Directorates	(3,457)
	Headquarters Units	(2,120)
PPA V: Centrally Managed Accounts		
	Central Accounts	(1,826)
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	(302)
	Electronics Maintenance	(100)
	Civil/Ocean Engineering and Shore Facility Maintenance	(763)
	Vessel Maintenance	(650)
		(21,026)

This item reflects FY 2007 savings associated with the termination of one-time costs for program start-up and exit transactions that were funded in FY 2006.

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FY 2006 Line Items	Non-Recurring Amount ($000)
Shore Facility Construction Follow-On	(206)
Patrol Boat Follow-On	(531)
Response Boat-Medium Follow-On	(9)
Great Lakes Icebreaker Follow-On	(497)
Operate C-130J	(1,292)
Maritime Domain Awareness Follow-On	(5,861)
Airborne Use of Force Follow-On	(640)
Maritime Law Enforcement School Relocation To FLETC	(128)
Operate National Security Cutter (NSC) #1	(1,300)
Deepwater C4ISR Upgrades - Follow-On	(868)
Scheduled Decommissioning of USCGC Acacia	(444)
Scheduled Decommissioning of USCGC Mackinaw	(738)
Increased Port Presence and LNG Transport Security	(2,366)
Enhanced Cutter Boat Response	(930)
Common Operational Picture	(346)
Increase Maritime Patrol Aircraft Operations	(2,360)
Area Maritime Security Plan (AMSP)	(2,510)
Total	**(21,026)**

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B. Management and Technology Efficiencies

1. Annualization of FY 2006 Management and Technology Efficiencies ..... ($10,686)

PPA Breakdown - Annualization of FY 2006 Management and Technology Efficiencies		Total ($000)
PPA I: Military Personnel (-106 FTE)		
	Military Pay and Allowances	(5,261)
	Military Health Care	(695)
	Permanent Change of Station	(1,637)
PPA III: Training and Recruiting		
	Training and Education	(212)
	Recruiting and Training Centers	(44)
PPA IV: Operating Funds and Unit Level Maintenance		
	9th District	(904)
	Headquarters Directorates	(356)
	Headquarters Units	(3)
PPA V: Centrally Managed Accounts		
	Central Accounts	(127)
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	(33)
	Vessel Maintenance	(1,414)
		(10,686)

This item annualizes FY 2006 part-year reductions from the decommissioning of USCGC Acacia, USCGC Mackinaw, 85' Fast Patrol Cutter and reductions from naval engineering efficiencies.

FY 2006 Line Items	FTE (Mil)	FTE (Civ)	Recurring Amount Annualized ($000)
Transfer Polar Icebreaker Funding to NSF	0	0	(1,180)
Scheduled Decommissioning of USCGC Acacia	(41)	0	(3,268)
Scheduled Decommissioning of USCGC Mackinaw	(64)	0	(6,140)
Decommission 85' Fast Patrol Cutter	0	0	(42)
Airborne Use of Force Follow-On	(1)	0	(56)
Total	**(106)**	**0**	**(10,686)**

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2. Decommission USCGC Gentian ..... ($3,641)

PPA Breakdown - Decommission USCGC Gentian		Total ($000)
PPA I: Military Personnel (-37 FTP, -37 FTE)		
	Military Pay and Allowances	(2,183)
	Military Health Care	(232)
	Permanent Change of Station	133
PPA III: Training and Recruiting		
	Training and Education	(61)
	Recruiting and Training Centers	(39)
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	(549)
	Headquarters Directorates	(230)
PPA V: Centrally Managed Accounts		
	Central Accounts	(60)
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	(11)
	Vessel Maintenance	(409)
		(3,641)

Built in 1942, USCCG Gentian is past its useful service life and difficult to maintain. It currently serves as the Caribbean Support Tender, providing international engagements, training and logistical support to the Coast Guards of Caribbean nations. Once Gentian is decommissioned, the Coast Guard will continue to pursue opportunities for international engagement of Caribbean nations with its cutter fleet and training teams consistent with overall mission priorities.

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3. Terminate Loran Program.....$0

a) Phase I: Signal Termination / Personnel Reduction.....($11,814)

PPA Breakdown - Phase I: Signal Termination / Personnel Reduction		Total ($000)
PPA I: Military Personnel (-132 FTP, -99 FTE)		
	Military Pay and Allowances	(5,162)
	Military Health Care	(622)
	Permanent Change of Station	463
PPA III: Training and Recruiting		
	Training and Education	(148)
	Recruiting and Training Centers	(140)
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	(154)
	Pacific Area / 11th District	(468)
	1st District	(307)
	7th District	(154)
	8th District	(1,079)
	9th District	(307)
	13th District	(315)
	17th District	(646)
	Headquarters Directorates	(14)
	Headquarters Units	(262)
PPA V: Centrally Managed Accounts		
	Central Accounts	(160)
PPA VI: Intermediate and Depot Level Maintenance		
	Civil/Ocean Engineering and Shore Facility Maintenance	(2,339)
		(11,814)

b) Exit Costs.....$11,814

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PPA Breakdown - Exit Costs		Total ($000)
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	1,225
PPA VI: Intermediate and Depot Level Maintenance		
	Civil/Ocean Engineering and Shore Facility Maintenance	10,589
		11,814

This item reflects FY 2007 savings associated with the closure of the U. S. Long Range Aids to Navigation (LORAN)-C system; this is phase I of a four-phase project. Cost reductions reflect termination of operations at 24 LORAN stations (LORSTAs) nationwide and the LORAN Support Unit in Wildwood, NJ and reduction in staff at the Coast Guard's Engineering Logistics Command, Navigation Center and Coast Guard Headquarters commensurate with the termination of LORAN support. The Coast Guard has found that, while the Global Positioning System (GPS) is vulnerable to localized interference (both intentional and unintentional), adequate GPS backup systems are currently in place for the Maritime Transportation System (MTS). In short, LORAN is not required as a backup for the maritime mode. One-time costs to decommission the 24 LORSTAs, including environmental clean-up, is estimated at approximately $119 million. These costs will be funded through the recurring savings generated from the operations base that will no longer be needed upon the closure of the LORSTAs. To execute this trade off using recurring savings to fund exit costs, while remaining cost neutral, a phased approach will be taken. The $11.8 million reduction in phase I reflects the reduction of approximately half of the LORAN staff; the other half will be retained to assist in closure efforts, to include property disposal, remediation and the reprogramming of rated-personnel billets. As the termination progresses through phases II through IV, the remaining personnel will be phased out in conjunction with the completion of follow-on tasking required to divest of this program.

4. Personnel Efficiencies ..... ($5,000)

PPA Breakdown - Personnel Efficiencies		Total ($000)
PPA I: Military Personnel (-50 FTE)		
	Military Pay and Allowances	(5,000)
		(5,000)

This item represents workforce management efficiencies gained by reducing FTE working in various low priority capacities for the Coast Guard.

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5. Management Efficiencies.....($9,320)

PPA Breakdown - Management Efficiencies		Total ($000)
PPA I: Military Personnel		
	Military Health Care	(33)
	Permanent Change of Station	(1,620)
PPA II: Civilian Personnel		
	Civilian Pay and Allowances	(27)
PPA III: Training and Recruiting		
	Training and Education	(632)
	Recruiting and Training Centers	(356)
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	(5,630)
PPA V: Centrally Managed Accounts		
	Central Accounts	(39)
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	(22)
	Electronics Maintenance	(467)
	Civil/Ocean Engineering and Shore Facility Maintenance	(377)
	Vessel Maintenance	(117)
		(9,320)

Efficiencies will be obtained through reductions to the following overhead categories (by object class) – Travel, Advisory & Assistance Services, and Other Services.

6. National Defense Authorization Act Adjustment .....($15,000)

PPA Breakdown - National Defense Authorization Act Adjustment		Total ($000)
PPA I: Military Personnel		
	Military Pay and Allowances	(15,000)
		(15,000)

Not all items anticipated to be included in the final FY 2006 National Defense Authorization Act (NDAA) were enacted. As a result, funding appropriated for entitlements not enacted is being terminated.

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7. Coast Guard Racing Sponsorship Cancellation.....($4,500)

PPA Breakdown - Coast Guard Racing Sponsorship Cancellation		Total ($000)
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	(4,500)
		(4,500)

This item terminates Team Coast Guard Racing, which sponsored competitive race teams in the National Association of Stock Car Automobile Racing (NASCAR ®) as a recruiting initiative since 2004. Because the Coast Guard has been able to meet all of its recruiting goals since before the inauguration of this program, and due to on-going operational and maintenance requirements, funds have been reallocated to higher-priority Coast Guard needs.

IV. Program Justification of Changes

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Program Changes **$77,829**

A. Preserve Readiness

1. Financial Audit Remediation $2,000

Strategic Goal(s) & Objectives: 7.2, 7.4, 7.6, 7.7

PPA Breakdown - Financial Audit Remediation		Total ($000)
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	2,000
		2,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	2,000
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,000**

Description of Item
This will enhance mission performance in the preparation of Coast Guard financial statements and financial management oversight in addition to improving the policies, process, and internal controls over Coast Guard financial reporting processes.

Justification
Chief Financial Officer (CFO) audits through the establishment of an Audit Remediation and Internal Controls Program. The Audit Remediation and Internal Controls Program will have the necessary personnel and tools to implement the Coast Guard financial audit remediation strategy which will result in a "clean" opinion on Financial Statements through process improvements, a staffed Internal Control Program, and financial system certification and accreditation.

Impact of Performance
The Coast Guard will be able to correct prior year audit deficiencies and findings and will be adequately staffed and prepared to manage the annual CFO audit process. Ultimately, request for Financial Audit Remediation will enable the Coast Guard to meet its financial management performance goals as well as meet Congressional, OMB, and DHS financial reporting requirements.

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2. Self Contained Breathing Apparatus (SCBA) Implementation $7,200

Strategic Goal(s) & Objectives: 4.2, 4.3, 7.7

PPA Breakdown - Self Contained Breathing Apparatus (SCBA) Implementation		Total ($000)
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	190
	Pacific Area / 11th District	190
PPA VI: Intermediate and Depot Level Maintenance		
	Vessel Maintenance	6,820
		7,200

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	7,200
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7,200**

Description of Item
The Self-Contained Breathing Apparatus (SCBA) migration project, phase I of a three-phase project, will replace all Oxygen-Breathing Apparatus (OBA) with SCBAs aboard all Coast Guard cutters and training commands.

Justification
Over the past 30 years, all shore-based federal and DOD fire fighters, the Military Sealift Command, all western navies, all merchant ships, the U. S. Air Force and all U. S. Navy flight deck personnel have adopted and use exclusively the open circuit SCBA. The Navy has recently begun a project to replace all their OBAs with SCBAs. This leaves the Coast Guard as the only fire fighting organization in the U. S. that uses OBAs.

Impact of Performance
This project will outfit all Coast Guard cutters and training facilities with SCBAs, provide training, spare parts, refill compressors, extra bottles, storage space modifications and disposal costs of the obsolete OBA system. Ultimately this project will increase the Coast Guard's all-hazard response capability.

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(Dollars in thousands)

3. Coast Guard Headquarters (HQ) Relocation.....$50,200

Strategic Goal(s) & Objectives: 1.1, 2.4, 3.5, 7.2, 7.4

PPA Breakdown - Coast Guard Headquarters (HQ) Relocation		Total ($000)
PPA IV: Operating Funds and Unit Level Maintenance		
	Headquarters Directorates	50,200
		50,200

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	50,200
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**50,200**

Description of Item
This FY 2007 request will fund the Coast Guard's first year share of construction costs for a new headquarters at the St. Elizabeths campus.

Justification
GSA has proposed to redevelop the west campus of St. Elizabeths Hospital and has identified the USCG HQ relocation and consolidation for the initial phase of a project which is envisioned to eventually include other federal tenants with similar security requirements. In accordance with GSA policy, tenants are required to budget and fund certain aspects of building design and construction, as well as other tenant specific requirements of the project. The GSA schedule is to construct the new Coast Guard HQ facility in two phases, with tenant funding requirements in each year from FY 2007 through FY 2011, with the bulk occurring in FY 2007, FY 2008 and FY 2009.

Impact of Performance
Phase I will construct office space and structured parking to consolidate the Coast Guard HQ. Phase II will construct a command center and other shared-use space that will support the Coast Guard and other future agencies that might occupy the campus. Construction completion and building commissioning is estimated late FY 2010/early FY 2011. Ultimately this will foster coordination and efficiency within the Department of Homeland Security.

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Justification of Program Changes
(Dollars in thousands)

B. Maximize Domain Awareness.....$6,421

Strategic Goal(s) & Objectives: 1.3, 1.4, 2.3, 7.6

PPA Breakdown - Maximize Awareness		Total ($000)
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	338
	Pacific Area / 11th District	338
	Headquarters Directorates	3,082
	Headquarters Units	438
PPA V: Centrally Managed Accounts		
	Central Accounts	2,150
PPA VI: Intermediate and Depot Level Maintenance		
	Electronics Maintenance	75
		6,421

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	6,421
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,421**

Description of Item
This request supports a number of initiatives designed to enhance MDA. Funds will provide the necessary field infrastructure to expand SIPRNET capability, which will protect Coast Guard systems from exploitation. Funding will support phase I of a five-phase project to establish the Coast Guard Counterintelligence program. Funding will also provide prototype Sector Command Centers (SCC) and Joint Harbor Operation Center (JHOC) operations support.

Justification
Field commands from the Area to Sector level will be able to improve their organic capacity to collect and analyze sensor and intelligence inputs at the port level. As a member of the Intelligence Community, the Coast Guard is required, per Executive Order 12333, to establish and implement a Counterintelligence program that will protect intelligence sources, methods and related information and activities from unauthorized disclosure. This will provide for the protection of information, personnel and facilities from espionage, sabotage, terrorism, and other hostile actions by all adversaries. The JHOC support is aligned with the agreement between the CG & Navy to provide capability at key ports

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Justification of Program Changes
(Dollars in thousands)

where there are shared responsibilities for escort and monitoring of Navy capital assets (high value units), including Jacksonville, FL and Seattle, WA.

Impact of Performance
This initiative ties directly to the DHS awareness and interagency coordination strategic goals.

C. Enhance Capability

1. National Capital Region Air Defense $8,934

Strategic Goal(s) & Objectives: 3.4, 3.5

PPA Breakdown - National Capital Region Air Defense		Total ($000)
PPA I: Military Personnel (120 FTP, 61 FTE)		
	Military Pay and Allowances	3,680
	Military Health Care	380
	Permanent Change of Station	900
PPA III: Training and Recruiting		
	Training and Education	2,859
	Recruiting and Training Centers	39
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	179
	Headquarters Directorates	11
PPA V: Centrally Managed Accounts		
	Central Accounts	248
PPA VI: Intermediate and Depot Level Maintenance		
	Aircraft Maintenance	638
		8,934

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							120	61	8,934
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**120**	**61**	**8,934**

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Justification of Program Changes
(Dollars in thousands)

Description of Item
This funding, along with $5 million transferred from the base funding of Customs and Border Protection, will provide personnel and operating funds to operate five additional HH-65C helicopters to support the NCRAD mission.

Justification
Together with the $49M requested in the AC&I account for helicopter acquisition, this will increase the Coast Guard's operational fleet of helicopters from 84 to 89 HH-65Cs. These helicopters and personnel will be permanently based at Air Station Atlantic City, NJ. Three of five of these helicopters and two helicopters crews will be standing strip alert in the National Capital Region at any given time. The remaining two helicopters will remain at Air Station Atlantic City to support unit training and required maintenance.

Impact of Performance
NCRAD directly supports the DHS strategic objectives to coordinate the physical safety and continuity of the United States government with military, Federal and state and local partners.

2. Maritime Security Response Team (MSRT) $3,074

Strategic Goal(s) & Objectives: 2.4, 4.2

PPA Breakdown - Maritime Security Response Team (MSRT)		Total ($000)
PPA I: Military Personnel (60 FTP, 30 FTE)		
	Military Pay and Allowances	1,551
	Military Health Care	188
	Permanent Change of Station	410
PPA III: Training and Recruiting		
	Training and Education	91
	Recruiting and Training Centers	47
PPA IV: Operating Funds and Unit Level Maintenance		
	Atlantic Area / 5th District	363
	Headquarters Directorates	244
PPA V: Centrally Managed Accounts		
	Central Accounts	180
		3,074

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Justification of Program Changes
(Dollars in thousands)

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)	Pos.	FTE	Dollars ($000)
Current Services Level							161	0	20,008
Program Increase							60	30	3,074
Total Request	**0**	**0**	**0**	**161**	**0**	**20,008**	**221**	**30**	**23,082**

Description of Item
Funding requested will be used by the Coast Guard to work with the Departments of Defense and Justice to transform the existing E-MSST, limited in capability, to an MSRT. This request will support a joint response capability with DOD/Navy and DOJ/FBI to provide, highly trained operators outfitted with specialized tactical equipment to perform opposed insertions/boardings, serve high risk arrest warrants, and other offensive CT activities within the maritime environment. Final details of the operational plan for this program will be developed with the other Departments participating in establishing the function.

Justification
The Maritime Transportation Security Act of 2002 (MTSA) provided the Secretary of Homeland Security with the authority to establish teams to deter, protect against, and rapidly respond to threats of maritime terrorism. In response, the Department established the Maritime Safety and Security Team (MSST) program at 13 ports across the country. In FY 2006, the Coast Guard made permanent one prototype Enhanced Maritime Safety and Security Team (E-MSST) providing a unique counter-terrorism and law enforcement response capability for scheduled events.

As part of the President's new National Strategy for Maritime Strategy, the Coast Guard will work jointly with the Departments of Defense and Justice to develop an offensive capability to counter maritime terrorist threats. While this program is still in the planning phases, the objective is to build a new, Maritime Security Response Team that will complement existing U.S. capabilities and protect the nation from marine-borne terrorist attack.

Impact of Performance
Through close cooperation with the United States Special Operations Command (US SOCOM), the Department of Defense, the Federal Bureau of Investigations and other interagency partners, the Coast Guard will begin to achieve its role under the DHS counterterrorism prevention and response strategic goals.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Operating Expenses
Appropriation Language

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase or lease of not to exceed twenty-five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97-377, (42 U.S.C. 402 note) and recreation and welfare; [$5,410,555,000] ***$5,518,843,000*** of which [$1,200,000,00] ***$340,000,000*** shall be for defense-related activities; of which [$24,500,000] ***$24,255,000*** shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990; and of which not to exceed $3,000 shall be for official reception and representation expenses: *Provided,* That none of the funds appropriated by this or any other Act shall be available for administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109 of Title 46, United States Code, except to the extent fees are collected from yacht owners and credited to this appropriation: *(Department of Homeland Security Appropriations Act, 2006.)*

[For an additional amount for ''Operating Expenses'' for necessary expenses related to the consequences of hurricanes and other natural disasters, $132,000,000, to remain available until expended, of which up to $400,000 may be transferred to ''Environmental Compliance and Restoration'' to be used for environmental cleanup and restoration of Coast Guard facilities; and of which up to $525,000 may be transferred to ''Research, Development, Test, and Evaluation'' to be used for salvage and repair of research and development equipment and facilities: Provided, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.] *(Department of Defense Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Coast Guard
Operating Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**45,695**	**45,393**	**5,250,260**
2006 Revised Enacted Budget	**46,178**	**45,843**	**5,410,555**
Adjustments-to-Base			
Transfers to and from Other Accounts			
A. National Capital Region Transfer from CBP	-	-	5,000
Total Transfers	-	-	5,000
Increases			
A. Annualization of Prior Year Funding	-	502	93,310
B. FY 2007 Pay Increase			
1. Mandatory Personnel Entitlements	-	-	63,725
C. Non-Pay Adjustments			
1. Non-Pay Inflation	-	-	44,008
2. Operational Adjustments	-	-	66,764
D. Operating and Maintenance Funds for New Facilities			
1. Shore Facility and ATON Infrastructure Follow-On	-	-	3,347
2. Defense Message System (DMS) Follow-On	1	1	700
3. High Frequency (HF) Recapitalization and Modernization Follow-On	-	-	150
4. Response Boat - Medium Follow-on	3	3	785
5. Operate C-130J	113	29	11,212
6. Maritime Domain Awareness Follow-On	15	8	10,601
7. Airborne Data Communication System (ADCS)	3	2	607
8. Surface and Air Asset Follow-On	289	141	30,498
E. Base Re-Allocations (Non-Add)			
1. Relocate WHEC / Decommission USCGC Storis ($2.4 million base re-allocation)	(86)	(44)	[2,408]
2. PPA Funding Technical Transfers ($36.3 million base re-allocation)	-	-	[36,348]
Total Increases	338	642	325,707

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U.S. Coast Guard
Operating Expenses
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
Decreases			
A. Termination of One Time Costs	-	-	(21,026)
B. Management and Technology Efficiencies			
1. Annualization of FY 2006 Management and Technology Efficiencies	-	(106)	(10,686)
2. Decommission USCGC Gentian	(37)	(37)	(3,641)
3. Terminate Loran Program			
a) Phase I: Signal Termination / Personnel Reduction	(132)	(99)	(11,814)
b) Exit Costs	-	-	11,814
4. Personnel Efficiencies	-	(50)	(5,000)
5. Management Efficiencies	-	-	(9,320)
6. National Defense Authorization Act Adjustment	-	-	(15,000)
7. Coast Guard Racing Sponsorship Cancellation	-	-	(4,500)
C. Hurricane Relief Supplemental (P.L. 109-148)	-	-	(131,075)
D. Operation Iraqi Freedom Supplemental (P.L. 109-148)	-	-	(100,000)
Total Decreases	(169)	(292)	(300,248)
Total Adjustments-to-Base	**169**	**350**	**30,459**
2007 Current Services	**46,347**	**46,193**	**5,441,014**
Program Changes			
Program Increases / (Decreases)			
A. Preserve Readiness			
1. Financial Audit Remediation	-	-	2,000
2. Self Contained Breathing Apparatus (SCBA) Implementation	-	-	7,200
3. Coast Guard Headquarters (HQ) Relocation	-	-	50,200
B. Maximize Awareness	-	-	6,421
C. Enhance Capability			
1. National Capital Region Air Defense	120	61	8,934
2. Maritime Security Response Team (MSRT)	60	30	3,074
Total Program Changes	**180**	**91**	**77,829**
2007 Request	**46,527**	**46,284**	**5,518,843**
2006 to 2007 Total Change	**349**	**441**	**108,288**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Operating Expenses Appropriation
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	45,695	45,393	5,250,260
2006 Revised Enacted	46,178	45,843	5,410,555
Adjustments to Base (See 'FY 2006 to FY 2007 Budget Change' for details)			
Transfers	338	445	5,000
Increases	(408)	(292)	355,770
Decreases	169	350	(360,248)
Total Adjustments to Base			30,459
2007 Current Services	46,647	46,191	5,441,014
Program Changes (See 'FY 2006 to FY 2007 Budget Change' for details)	180	91	77,829
2007 Total Request	46,827	46,284	5,518,843
2006 to 2007 Total Change	649	441	108,288

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Changes			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
I. Military Pay and Allowances															
1. Military Pay and Allowances (AFC-43) NOTE 1	39,764	39,811	2,292,137	156	280	49,986	180	91	7,731	40,100	40,262	2,349,854	336	371	57,717
2. Military Health Care (AFC-43)			159,163			17,834			1,760			177,757			18,594
3. Permanent Change of Station (AFC-30)			107,812			(607)			1,310			108,518			706
SubTotal	39,764	39,811	2,716,842	156	280	67,215	180	91	10,801	40,100	40,262	2,794,858	336	371	78,016
II. Civilian Pay and Benefits															
4. Civilian Pay and Benefits (AFC-30)	6,414	5,947	526,182	13	70	43,252	-	-	-	6,427	6,017	569,434	13	70	43,252
SubTotal	6,414	5,947	526,182	13	70	43,252	-	-	-	6,427	6,017	569,434	13	70	43,252
III. Training and Recruiting															
5. Training and Education (AFC-30)			85,738			(7,112)			2,956			81,582			(4,156)
6. Recruiting and Training Centers (AFC-30)			92,621			4,993			301			97,920			5,299
SubTotal	-	-	178,359	-	-	(2,119)	-	-	3,256	-	-	179,502	-	-	1,143
IV. Operating Funds and Unit Level Maintenance															
7. Atlantic Command (AFC-30)			165,496			20,446			1,670			187,612			22,116
8. Pacific Command (AFC-30)			176,115			11,886			528			188,529			12,414
9. 1st District (AFC-30)			46,694			1,994			-			48,688			1,994
10. 5th District (AFC-30)			57,495			6,276			-			63,771			6,276
11. 7th District (AFC-30)			39,843			1,164			-			41,007			1,164
12. 8th District (AFC-30)			28,147			609			-			28,756			609
13. 9th District (AFC-30)			39,036			533			-			39,569			533
14. 11th District (AFC-30)			23,439			1,335			-			24,774			1,335
15. 13th District (AFC-30)			21,711			(1,919)			-			19,792			(1,919)
16. Headquarters Directorates (AFC-30)			254,975			(11,070)			55,557			299,462			44,487
17. Headquarters Managed Units (AFC-30)			118,860			5,466			438			124,764			5,904
18. Other Activities (AFC-30)			709			-			-			709			-
SubTotal	-	-	947,488	-	-	56,841	-	-	57,573	-	-	1,061,574	-	-	114,174
V. Centrally Managed Accounts															
19. Centrally-Managed Operating Expenses (AFC-30)			183,150			22,326			2,578			208,054			24,904
SubTotal	-	-	183,150	-	-	22,326	-	-	2,578	-	-	208,054	-	-	24,904
VI. Intermediate and Depot Level Maintenance															
20. Aeronautical (AFC-43)			738,330			37,611			638			776,579			37,649
21. Electronic (AFC-43)			109,264			11,267			76			120,607			11,343
22. Civil Engineering & Shore Facilities (AFC-45)			116,218			(17,930)			-			98,288			(17,930)
23. Vessels (AFC-43)			143,399			6,401			9,870			159,670			16,271
SubTotal	-	-	630,547	-	-	77,649	-	-	7,553	-	-	715,739	-	-	85,192
SubTotal Operating Expenses	46,178	45,843	5,179,480	169	350	261,534	180	91	77,829	46,527	46,284	5,518,843	349	441	339,363
Operating Expenses Supplemental:															
FY 2006 OGT Transfer, Hurricane Relief (P.L. 109-148)			131,075			(131,075)			-			-			(131,075)
FY 2006 OGT Transfer (Iraq Freedom Fund P.L. 109-148)			100,000			(100,000)			-			-			(100,000)
Total	46,178	45,843	5,410,555	169	350	30,459	180	91	77,829	46,527	46,284	5,518,843	349	441	108,288

NOTE 1 - Funding shown does not include $236,760,000 appropriated for the Medicare-Eligible Retiree Healthcare Fund contribution in FY 2005. It was expanded out of the Operating Expenses appropriation for presentation purposes only. Beginning in FY 2006, the contribution was no longer allocated to the Operating Expenses appropriation, but to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

CG-OE-50

D. Summary of Reimbursable Resources

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Summary of Reimbursable Resources
(Dollars in Thousands)

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Collection by Source	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
Agency 1 Department of Homeland Security			33,633			26,815			27,271			456
Agency 2 Department of Defense			62,845			30,228			30,742			1,514
Agency 3 Department of Transportation			8,965			5,567			5,662			95
Agency 4 Department of Treasury			101			101			103			2
Agency 5 Department of Commerce			14,731			55,067			56,003			936
Agency 6 Department of State			6,403			13,327			13,554			227
Agency 7 Department of Justice			152			154			157			3
Agency 8 FEMA			1,214			300,000			5,100			(294,900)
Agency 9 Environmental Protection Agency			5,978			4,984			5,069			85
Agency 10 Central Intelligence Agency			-			118			120			2
Miscellaneous												
- Panama Canal Authority			42			35			36			1
- US Agency Int'L Dev (USAID)			26			10			10			-
Other Anticipated Reimbursables General			27,908			81,595			82,982			1,387
Total Budgetary Resources	**414**	**401**	**161,998**	**669**	**669**	**518,001**	**669**	**669**	**226,809**	**-**	**-**	**(290,192)**

Program, project and activity (PPA) categories only include budget items identified in the Department of Homeland Security Appropriations Act. Funds collected by the Coast Guard to reimburse us for activities under the Economy Act are not part of the annual appropriations act and therefore are not placed within PPA categories. These funds are "PPA-less."

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	339,603	383,907	415,240	31,333
11.3	Other than full-time permanent	11,105	12,554	13,579	1,025
11.5	Other personnel compensation	10,768	12,173	13,166	993
11.7	Military personnel	1,949,217	2,087,583	2,096,715	9,132
11.8	Special service pay	28,784	29,297	29,641	344
12.1	Civilian personnel benefits	106,740	120,664	130,512	9,848
12.2	Military personnel benefits	172,876	185,749	186,790	1,041
13.0	Benefits-former	15,087	15,398	15,207	(191)
	Total, Personnel Comp. & Benefits	**$ 2,634,180**	**$ 2,847,325**	**$ 2,900,850**	**$ 53,525**
Other Objects Classes:					
21.0	Travel	203,724	217,088	204,820	(12,268)
22.0	Transportation of things	61,763	62,268	62,887	619
23.1	GSA rent	53,387	53,372	59,815	6,443
23.2	Other rent	20,099	24,323	22,404	(1,919)
23.3	Communication, utilities, and misc charges	134,805	136,019	141,599	5,580
24.0	Printing and reproduction	8,017	8,038	8,849	811
25.1	Advisory and assistance services	74,818	81,525	91,296	9,771
25.2	Other services	473,473	485,475	473,112	(12,363)
25.3	Purchases of goods & svcs. from gov't accounts	41,905	43,098	44,457	1,359
25.4	Operation & maintenance of facilities	163,573	207,736	151,245	(56,491)
25.5	Research and development	-	-	-	-
25.6	Medical care	226,342	234,039	252,884	18,845
25.7	Operation and maintenance of equipment	271,354	262,635	337,786	75,151
25.8	Subsistence and support of persons	46,722	47,038	50,209	3,171
26.0	Supplies and materials	493,443	450,367	471,697	21,330
31.0	Equipment	146,102	184,406	157,168	(27,238)
32.0	Land and structures	32,242	65,391	85,415	20,024
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	2,313	2,314	2,350	36
	Total, Other Object Classes	**$ 2,454,082**	**$ 2,565,132**	**$ 2,617,993**	**$ 52,861**
	Total Direct Obligations	**$ 5,088,262**	**$ 5,412,457**	**$ 5,518,843**	**$ 106,386**
	Unobligated balance, start of year	(26,588)	(1,902)	-	
	Unobligated balance, end of year	17,006	-	-	
	Total Requirements	**$ 5,078,680**	**$ 5,410,555**	**$ 5,518,843**	

Note 1: Total direct obligations does not include advances and reimbursements of $161,998K in 2005.

Note 2: Funding shown does not include $236,750,000 apportioned for the Medicare-Eligible Retiree Healthcare Fund contribution in FY 2005. It was separated out of the Operating Expenses appropriation for presentation purposes only. Beginning in FY 2006, the contribution was no longer allocated to the Operating Expenses appropriation, but to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation

Note 3: The FY 2006 unobligated balance reflects a reduction of $15.104M as a result of the rescission to prior-year unobligated balances.

Note 4: Supplemental funding is included in the FY 2006 figures, resulting in significant changes from FY 2006 to FY 2007.

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Operating Expenses - Military
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
O-10	1	1	1	-
O-9	4	4	4	-
O-8	26	25	25	-
O-7	5	6	6	-
O-6	360	359	359	-
O-5	788	793	793	-
O-4	1,162	1,191	1,208	17
O-3	2,076	2,105	2,153	48
O-2	1,404	1,403	1,420	17
O-1	162	161	159	(2)
CWO	1,401	1,404	1,406	2
Cadet/OC	852	852	852	-
E-10	1	1	1	-
E-9	293	283	286	3
E-8	610	616	626	10
E-7	3,110	3,157	3,166	9
E-6	6,203	6,356	6,396	40
E-5	7,446	7,642	7,768	126
E-4	6,987	7,019	7,143	124
E-3	4,115	4,057	4,015	(42)
E-2	1,692	1,639	1,623	(16)
E-1	689	690	690	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	39,387	39,764	40,100	336
Unfilled Positions EOY	-	-	-	-
Total Perm. Employment EOY	39,387	39,764	40,100	336
FTE*	39,717	39,891	40,262	371
Headquarters	978	1,002	1,004	2
U.S. Field	38,269	38,622	38,956	334
Foreign Field	140	140	140	-
Total Permanent Positions	39,387	39,764	40,100	336
Position Data				
Average Salary, Officer Positions**	$79,029.80	$82,000.89	$84,698.46	$2,697.58
Average Grade, Officer Positions	2.86	2.86	2.87	0.01
Average Salary, Enlisted Positions**	$45,764.29	$47,512.23	$49,030.34	$1,518.11
Average Grade, Enlisted Positions	4.76	4.77	4.78	0.01

*The Coast Guard manages the military workforce by end strength, not FTE. The military FTE represented in these numbers are monthly end strengths averaged over the year.

**The military pay and allowances averages include the costs associated with all pay and allowances paid to a particular paygrade, including: Basic Pay, Basic Allowance for Housing, Basic Allowance for Subsistence, Federal Insurance Contributions, Incentive/Special Pays, Clothing Allowances, Cost-of-Living Allowances and Selective Re-enlistment Bonus payments. The term "Officer" includes Chief Warrant Officers. Cadets and Officer Candidates.

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F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Operating Expenses - Civilian
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
Total, SES	12	12	12	-
Total, EX	-	-	-	-
GS-15	137	139	139	-
GS-14	394	402	403	1
GS-13	889	925	926	1
GS-12	1,220	1,250	1,257	7
GS-11	783	793	794	1
GS-10	27	28	29	1
GS-9	452	466	467	1
GS-8	189	189	189	-
GS-7	635	638	639	1
GS-6	299	300	300	-
GS-5	140	140	140	-
GS-4	31	31	31	-
GS-3	2	2	2	-
GS-2	5	5	5	-
Other Graded Positions	1,093	1,094	1,094	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	6,308	6,414	6,427	13
Unfilled Positions EOY	577	587	588	1
Total Perm. Employment (Filled Positions) EOY	5,731	5,827	5,839	12
FTE	5,676	5,952	6,022	70
Headquarters	1,039	1,058	1,062	4
U.S. Field	5,269	5,356	5,365	9
Foreign Field	-	-	-	-
Total Permanent Positions	6,308	6,414	6,427	13
Position Data:				
Average Personnel Costs, ES Positions	$185,200.00	$190,000.00	$194,000.00	$ 4,000
Average Personnel Costs, GS Positions	$85,520.99	$88,223.27	$90,548.84	$ 2,326
Average Grade, GS Positions	10.63	10.65	10.66	0.00

The average personnel costs shown above include basic/locality pay, lump sum payments, awards, overtime, benefits such as retirement, health care and life insurance, and other compensation such as holiday, Sunday, hazardous duty, reemployment annuitant and severance pays, night differential, non foreign Cost-of-Living Allowance, premium compensation for firefighters. Civilian FTP is presented as a count of full time positions, vice full time employees.

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Reimbursables - Military
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
O-10	-	-	-	-
O-9	-	-	-	-
O-8	-	-	-	-
O-7	1	1	1	-
O-6	5	7	7	-
O-5	19	21	21	-
O-4	25	27	27	-
O-3	48	50	50	-
O-2	3	11	11	-
O-1	-	4	4	-
CWO4	13	23	23	-
Cadet	-	-	-	-
E-10	-	-	-	-
E-9	1	12	12	-
E-8	-	5	5	-
E-7	7	33	33	-
E-6	23	61	61	-
E-5	34	77	77	-
E-4	1	60	60	-
E-3	-	39	39	-
E-2	-	4	4	-
E-1	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	180	435	435	-
Unfilled Positions EOY	-	-	-	-
Total Perm. Employment EOY	180	435	435	-
FTE*	175	435	435	-
Headquarters	41	39	46	7
U.S. Field	125	385	378	(7)
Foreign Field	14	11	11	(3)
Total Permanent Positions	180	435	435	-
Position Data:				
Average Salary, Officer Positions**	$94,234.28	$94,283.88	$97,333.10	$3,049.22
Average Grade, Officer Positions	3.61	3.40	3.40	0.00
Average Salary, Enlisted Positions**	$52,598 52	$50,273 88	$51,860.64	$1,586.76
Average Grade, Enlisted Positions	5 61	5.14	5.14	0.00

*The Coast Guard manages the military workforce by end strength, not FTE. The military FTE represented in these numbers are monthly end strengths averaged over the year.

**The military pay and allowances averages include the costs associated with all pay and allowances paid to a particular paygrade, including: Basic Pay, Basic Allowance for Housing, Basic Allowance for Subsistence, Federal Insurance Contributions, Incentive/Special Pays, Clothing Allowances, Cost-of-Living Allowances and Selective Re-enlistment Bonus payments. The term "Officer" includes Chief Warrant Officers, Cadets and Officer Candidates.

CG-OE-55

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Reimbursables - Civilian
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
Total, SES	-	-	-	-
Total, EX	-	-	-	-
GS-15	-	-	-	-
GS-14	9	9	9	-
GS-13	34	34	34	-
GS-12	43	43	43	-
GS-11	33	33	33	-
GS-10	2	2	2	-
GS-9	28	28	28	-
GS-8	6	6	6	-
GS-7	45	45	45	-
GS-6	-	-	-	-
GS-5	32	32	32	-
GS-4	-	-	-	-
GS-3	-	-	-	-
GS-2	-	-	-	-
Other Graded Positions	2	2	2	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	234	234	234	-
Unfilled Positions EOY	57	-	-	-
Total Perm. Employment (Filled Positions) EOY	177	234	234	-
FTE	226	234	234	-
Headquarters	25	20	34	14
U.S. Field	209	214	200	(14)
Foreign Field	-	-	-	-
Total Permanent Positions	234	234	234	-
Position Data:				
Average Personnel Costs, ES Positions	n/a	n/a	n/a	n/a
Average Personnel Costs, GS Positions	$76,715.09	$78,983.19	$81,100.00	$ 2,117
Average Grade, GS Positions	9.66	9.66	9.66	0.00

The average personnel costs shown above include basic/locality pay, lump sum payments, awards, overtime, benefits such as retirement, health care and life insurance, and other compensation such as holiday, Sunday, hazardous duty, reemployment annuitant and severance pays, night differential, non foreign Cost-of-Living Allowance, premium compensation for firefighters. Civilian FTP is presented as a count of full time positions, vice full time employees.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
PPA I: Military Personnel
Funding Schedule
(Dollars in Thousands)

PPA I: Military Personnel		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	1,949,217	2,054,583	2,096,715	42,132
11.8	Special service pay	28,784	29,297	29,641	344
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	172,876	181,749	186,790	5,041
13.0	Benefits-former	15,087	15,398	15,207	(191)
21.0	Travel	193,538	198,450	196,627	(1,823)
22.0	Transportation of things	59,292	61,023	61,315	292
23.1	GSA rent	-	-	-	-
23.2	Other rent	13,460	10,149	14,998	4,849
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	118,350	120,115	122,950	2,835
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	13,785	10,393	15,360	4,967
26.0	Supplies and materials	48,068	35,685	48,673	12,988
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total, Military Personnel		**$ 2,612,457**	**$ 2,716,842**	**$ 2,788,276**	**$ 71,434**
Full Time Equivalents		**39,717**	**39,891**	**40,262**	**371**

NOTE 1: These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY 2007 represents the first year the Coast Guard has displayed numbers in this fashion.

NOTE 2: FY 2006 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

PPA Mission Statement

This PPA requests funding for expenses related to compensation for active duty military personnel. This category also includes pay, allowances, employer's share of FICA, Social Security credits and other expenses associated with compensating military personnel. Requested funding will compensate our 40,100 Full-Time Military personnel as they serve as the Nation's First Responder across all of the Coast Guard's 11 missions.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,165,964	$ 2,281,027	$ 2,328,353	$ 47,326

Salaries and benefits funds provide for compensation directly related to duties performed for the Coast Guard by active duty military personnel. This includes costs for 40,262 FTE. The FY 2007 request includes funding for the proposed pay raise (currently predicted at 2.2%), medical benefits, other mandatory personnel entitlements and program increases (371 FTE increase over FY06). Personnel increases are accounted for through the annualization of FTE introduced in FY 2006, personnel brought on to support the additional C-130J flight hours, a pre-commissioning detachment for the second National Security Cutter, maintenance crews for Airborne Use of Force (AUF), and inital crews for the National Capital Region Air Defense (NCRAD) mission and Maritime Security Response Team.

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 193,538	$ 198,450	$ 196,627	$ (1,823)

Request funds cover the travel costs of Coast Guard military servicemembers, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 reflects a decrease from FY 2006 as a result of management efficiencies.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 59,292	$ 61,023	$ 61,315	$ 292

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Funding primarily supports the shipment of military member's household goods in conjunction with Permanent Change of Station (PCS) moves. The FY 2007 request includes additional funding required for transportation costs associated with the addition of 371 FTE and adjustments to accommodate inflationary increases in costs.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 13,460	$ 10,149	$ 14,998	$ 4,849

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.). In FY 2007, new funding required leased hangar space for the National Capital Region Air Defense (NCRAD) mission helicopters at Reagan National Airport in Washington, D. C.

Medical care

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 118,350	$ 120,115	$ 122,950	$ 2,835

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. Specifically, funding supports medical care costs for 46,829 military service members. The FY 2007 request includes an adjustment for medical cost increases due to inflation.

Subsistence and support of persons

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 13,785	$ 10,393	$ 15,360	$ 4,967

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. Specifically, funding supports berthing and subsistence of Coast Guard personnel in support of temporary assigned duty (TAD). The majority of the increase in need for this object class is contributed to the personnel assigned to the National Capital Region Air Defense mission, as well as annualization of FY 2006 prior year funding.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 48,068	$ 35,685	$ 48,673	$ 12,988

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies. The FY 2007 request does not support any new initiatives; all funding requested over FY 2006 levels represents anticipated non-pay related inflation to procure supplies and materials for Coast Guard field units.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
PPA II: Civilian Personnel
Funding Schedule
(Dollars in Thousands)

PPA II: Civilian Personnel		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	339,603	383,907	415,240	31,333
11.3	Other than full-time permanent	11,105	12,554	13,579	1,025
11.5	Other personnel compensation	10,768	11,173	12,166	993
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	106,740	111,165	118,684	7,519
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	10,186	6,138	8,193	2,055
22.0	Transportation of things	2,471	1,245	1,572	327
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	
42.0	Insurance claims and indemnity	-	-	-	-
Total, Civilian Personnel		**$ 480,873**	**$ 526,182**	**$ 569,434**	**$ 43,252**
Full Time Equivalents		**5,676**	**5,952**	**6,022**	**70**

NOTE 1: These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY 2007 represents the first year the Coast Guard has displayed numbers in this fashion.

NOTE 2: FY 2006 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

PPA Mission Statement

This PPA requests funding for expenses related to compensation and entitlements for federal civilian employees. The workforce is composed of General Schedule (GS) personnel, Administrative Law Judges (AL), Senior Executive Service (SES) personnel, personnel whose salaries are Administratively Determined (AD) (e. g. Coast Guard Academy civilian faculty members), Wage Grade (WG) positions employed in industrial positions, and "Non-Ceiling" (NC) employees (e. g. cooperative education students, student aids, summer interns and federal junior fellows) and civilian employees not otherwise covered by other PPAs. Requested funding will compensate the 6,427 Full-Time Personnel, who all contribute in a support, administrative or supervisory role in executing the Coast Guard's 11 missions.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 468,216	$ 518,799	$ 559,669	$ 40,870

Salaries and benefits funds provide for compensation directly related to duties performed for the Coast Guard by Federal civilian employees. This includes costs for 6,022 FTE. The FY 2007 request includes funding for the proposed pay raise (currently predicted at 2.2%), medical benefits, other mandatory personnel entitlements. Although no new civilian FTE are being requested in FY 2007, an additional 70 FTE are requested to annualize FTE introduced in FY 2006.

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 10,186	$ 6,138	$ 8,193	$ 2,055

Requested funds cover the travel costs of Coast Guard civilian employees, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 request primarily covers non-pay related inflation costs attributed to travel, as well as some follow-on travel costs related to Maritime Domain Awareness initiatives introduced in FY 2006.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,471	$ 1,245	$ 1,572	$ 327

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Funding primarily supports the shipment of civilian personnel's household goods in conjunction with the acceptance of a new position. The FY 2007 request includes additional funding required for transportation costs associated with the addition of 70 FTE and adjustments to accommodate inflationary increases in costs.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
PPA III: Training and Recruiting
Funding Schedule
(Dollars in Thousands)

PPA III: Training and Recruiting		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	3,269	4,855	5,036	181
23.2	Other rent	407	880	624	(256)
23.3	Communication, utilities, and misc charges	8,255	12,372	11,922	(450)
24.0	Printing and reproduction	491	731	745	14
25.1	Advisory and assistance services	4,582	7,416	7,687	271
25.2	Other services	28,994	43,068	39,834	(3,234)
25.3	Purchases of goods & svcs. from gov't accounts	2,566	3,920	3,743	(177)
25.4	Operation & maintenance of facilities	10,017	12,983	12,734	(249)
25.5	Research and development	-	-	-	-
25.6	Medical care	6,613	10,340	10,940	600
25.7	Operation and maintenance of equipment	16,617	23,307	28,440	5,133
25.8	Subsistence and support of persons	2,017	3,333	2,934	(399)
26.0	Supplies and materials	27,273	35,707	35,616	(90)
31.0	Equipment	8,947	13,222	13,233	11
32.0	Land and structures	1,974	3,015	7,191	4,177
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	142	210	198	(13)
Total, Training and Recruiting		**$ 122,163**	**$ 175,359**	**$ 180,876**	**$ 5,517**
Full Time Equivalents		-	-	-	-

NOTE 1: These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY 2007 represents the first year the Coast Guard has displayed numbers in this fashion.

NOTE 2: FY 2006 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

PPA Mission Statement

Requests funding for the Coast Guard's professional training and education programs, and operation and maintenance of the six Coast Guard Training Centers and the Coast Guard Academy. Provides funding for tuition, travel and per diem for formal training and education performed as Temporary Assigned Duty (TAD) for military and civilian personnel. "Formal training and education" is defined as structured, curriculum-based instruction and applied exercises for the attainment and retention of skills and knowledge required to accomplish specific job tasks. Requested funding will ensure a level of capabilities and competencies commesurate with the response posture the Coast Guard has displayed in recent years, such as operational response to Hurricane Katrina, Operation Iraqi Freedom, 9/11 terrorist attacks and other events requiring a rapid response capability.

Summary Justification and Explanation of Changes

GSA rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 3,269	$ 4,855	$ 5,036	$ 181

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request primarily represents non-pay related inflation attributed to GSA rental costs.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 407	$ 880	$ 624	$ (256)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.). In FY 2007, new funding required is attributed to rental fees for records storage at the National Archives.

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 8,255	$ 12,372	$ 11,922	$ (450)

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs. The FY 2007 request reflects a decrease in need as a result of management efficiencies.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 491	$ 731	$ 745	$ 14

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. FY 2007 request includes the annualization of FY 2006 funding for print services, which includes printing of training publications, Coast Guard manuals and other supporting materials.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 4,582	$ 7,416	$ 7,687	$ 271

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities. The FY 2007 request relects non-pay related inflation attributed to contract staff support.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 28,994	$ 43,068	$ 39,834	$ (3,234)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions. The FY 2007 request includes a reduction in this object class as a result of management efficiencies found within this area.

Purchases of goods & svcs. from gov't accounts

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,566	$ 3,920	$ 3,743	$ (177)

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Specifically, funds support the purchase of goods and services from other government agencies including interagency service requirements (e.g. MIPR). The FY 2007 request shows a decrease in funding as a result of managment efficiencies.

Operation & maintenance of facilities

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 10,017	$ 12,983	$ 12,734	$ (249)

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Specifically, funds support contracted janitorial, landscaping, security, and environmental services (e.g. hazardous materials disposal) associated with the operation of Coast Guard facilities. The FY 2007 request reflects a decrease in funding requested as a result of management efficiencies.

Medical care

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 6,613	$ 10,340	$ 10,940	$ 600

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. Specifically, funding supports medical care costs for 46,829 military members. The FY 2007 request reflects a decrease in funding due to management efficiencies.

Operation and maintenance of equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 16,617	$ 23,307	$ 28,440	$ 5,133

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. Specifically, funding supports contracted specialized maintenance and minor repair of Coast Guard operational assets (e.g. cutters, boats, and aircraft) and supporting systems. The FY 2007 request includes funding for inflation exceeding non-pay COLA, calculated using industry standards.

Subsistence and support of persons

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,017	$ 3,333	$ 2,934	$ (399)

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. Specifically, funding supports berthing and subsistence of Coast Guard personnel in support of temporary assigned duty (TDY). The FY 2007 request shows a decrease in funding as a result of management efficiencies.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 27,273	$ 35,707	$ 35,616	$ (90)

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies. The FY 2007 request does not reflected funding for any new initatives; it only covers the anticipated non-pay related inflation associated with purchasing supplies and materials in FY 2007 at the field unit level.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 8,947	$ 13,222	$ 13,233	$ 11

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska. The FY 2007 request shows a decrease in funding as a result of management efficiencies.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,974	$ 3,015	$ 7,191	$ 4,177

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. Specifically, the FY 2007 request supports minor construction or improvements to Coast Guard shore facilities.

Insurance claims and indemnity

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 142	$ 210	$ 198	$ (13)

This covers indemnities for fire, flooding and casualty as related to the Response-Boat Medium acquired in FY 2006. Although the FY07 request shows a decrease over FY 2006, indemnities related to this boats are still in effect.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
PPA IV: Operation and Maintenance
Funding Schedule
(Dollars in Thousands)

PPA IV: Operation and Maintenance		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	29,988	26,228	29,557	3,329
23.2	Other rent	3,729	4,754	3,660	(1,094)
23.3	Communication, utilities, and misc charges	75,722	66,843	69,970	3,127
24.0	Printing and reproduction	4,503	3,950	4,373	423
25.1	Advisory and assistance services	42,026	40,064	45,113	5,050
25.2	Other services	265,956	232,678	233,786	1,108
25.3	Purchases of goods & svcs. from gov't accounts	23,539	21,179	21,968	789
25.4	Operation & maintenance of facilities	91,881	70,144	74,737	4,593
25.5	Research and development	-	-	-	-
25.6	Medical care	60,660	55,862	64,206	8,344
25.7	Operation and maintenance of equipment	152,423	125,921	166,915	40,995
25.8	Subsistence and support of persons	18,501	18,008	17,220	(788)
26.0	Supplies and materials	250,173	192,910	209,035	16,125
31.0	Equipment	82,067	71,434	77,664	6,230
32.0	Land and structures	18,111	16,286	42,207	25,921
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	1,299	1,137	1,161	24
Total, Operation and Maintenance		**$ 1,120,578**	**$ 947,400**	**$ 1,061,574**	**$ 114,174**
Full Time Equivalents		-	-	-	-

NOTE 1: These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY 2007 represents the first year the Coast Guard has displayed numbers in this fashion.

NOTE 2: FY 2006 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

PPA Mission Statement

Requests funding to units, facilities and activities that are under the direct operational and administrative control of the Coast Guard's Atlantic Area and Pacific Area Commanders. These include Maintenance and Logistics Commands (MLCs), Integrated Support Commands (ISCs), High Endurance Cutters (WHECs), Medium Endurance Cutters (WMECs), Polar Icebreakers, Communications Stations, Sector Commands, Stations, Marine Safety and Security Teams (MSSTs) and Area offices as applicable. Request includes funding to sustain normal operating costs that include energy, parts and supplies for routine maintenance of operational assets and shore facilities and administrative supplies.

Summary Justification and Explanation of Changes

GSA rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 29,988	$ 26,228	$ 29,557	$ 3,329

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request primarily represents non-pay related inflation attributed to GSA rental costs, as well as funding for leased facilities to support additional FTE requested for Airborne Use of Force (AUF).

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 3,729	$ 4,754	$ 3,660	$ (1,094)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.). In FY 2007, new funding required is attributed to rental fees for records storage at the National Archives, and leased hangar space for the National Capital Region Air Defense (NCRAD) mission helicopters at Reagan National Airport in Washington, D. C.

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 75,722	$ 66,843	$ 69,970	$ 3,127

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs. The FY 2007 request includes funding to provide Secret Internet Protocol Router Network (SIPRNET) for the first National Security Cutter (NSC), data costs related to the National Automatic Information System (NAIS), user charges for the National Telecommunication and Information Administration, funding to support Sector Command Center communications equipment, and finally, funding to account for the increase in postage fees.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 4,503	$ 3,950	$ 4,373	$ 423

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. FY 2007 request includes the annualization of FY 2006 funding for print services, and follow-on printing costs associated with Maritime Domain Awareness initiatives.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 42,026	$ 40,064	$ 45,113	$ 5,050

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities. The FY 2007 request includes contracted technical support for Financial Audit Remediation, and administrative support for our Maritime Domain Awareness (MDA) personnel.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 265,956	$ 232,678	$ 233,786	$ 1,108

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions. The FY 2007 request includes a reduction in this object class as a result of management efficiencies found within this area.

Purchases of goods & svcs. from gov't accounts

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 23,539	$ 21,179	$ 21,968	$ 789

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Specifically, funds support the purchase of goods and services from other government agencies including interagency service requirements (e.g. MIPR). The FY 2007 request includes the annualization of FY 2006 initiatives, as well as an increase in security services for GSA leased facilities.

Operation & maintenance of facilities

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 91,881	$ 70,144	$ 74,737	$ 4,593

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Specifically, funds support contracted janitorial, landscaping, security, and environmental services (e.g. hazardous materials disposal) associated with the operation of Coast Guard facilities. The FY 2007 request includes increased shore support costs associated with the operation of a High Endurance Cutter in Kodiak, AK, upon its move from Alameda, CA, as well as follow-on funding to support shore infrastructure constructed in 2005 and 2006 that will be completed in FY 2007.

Medical care

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 60,660	$ 55,862	$ 64,206	$ 8,344

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. Specifically, funding supports medical care costs for 46,829 military members. The FY 2007 request represents adjustments for medical cost increases due to predicted inflation rates.

Operation and maintenance of equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 152,423	$ 125,921	$ 166,915	$ 40,995

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. Specifically, funding supports contracted specialized maintenance and minor repair of Coast Guard operational assets (e.g. cutters, boats, and aircraft) and supporting systems. The FY 2007 request includes funding for inflation exceeding non-pay COLA, calculated using industry standards, and funding to support Maritime Patrol Aircraft, SIPRNET infrastructure contributing to Maritime Domain Awareness, procurement of spare parts and cannisters for the Self-Contained Breathing apparatus, and equipment related to the National Capital Region Air Defense (NCRAD) mission.

Subsistence and support of persons

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 18,501	$ 18,008	$ 17,220	$ (788)

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. Specifically, funding supports berthing and subsistence of Coast Guard personnel in support of temporary assigned duty (TAD). The FY 2007 request primarily supports personnel assigned to the National Capital Region Air Defense (NCRAD) mission, as well as the annualization of FY06 initiatives.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 250,173	$ 192,910	$ 209,035	$ 16,125

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies. The FY 2007 request does not reflect funding for any new initatives; it only covers the anticipated non-pay related inflation associated with purchasing supplies and materials in FY 2007 at the field unit level.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 82,067	$ 71,434	$ 77,664	$ 6,230

This object class covers the purchase of capitalized and non-capitalized assets. The FY 2007 request includes the procurement of the Self-Contained Breathing Apparatuses (SCBAs), equipment for the second National Security Cutter (NSC); Chemical, Biological Radiological, Nuclear Emissions (CBRNE) detection gear for the Maritime Security Response Team (MSRT); and equipment needed to support new shore facilities constructed in 2005 and 2006 that are completed by FY 2007.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 18,111	$ 16,286	$ 42,207	$ 25,921

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. Specifically, the FY 2007 request supports minor construction or improvements to Coast Guard shore facilities required to support the Nationwide Automatic Identification System (NAIS).

Insurance claims and indemnity

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,299	$ 1,137	$ 1,161	$ 24

This covers indemnities for fire, flooding and casualty as related to the Response-Boat Medium acquired in FY 2006.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
PPA V: Central Accounts
Funding Schedule
(Dollars in Thousands)

PPA V: Central Accounts		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	5,160	5,070	5,790	720
23.2	Other rent	642	919	717	(202)
23.3	Communication, utilities, and misc charges	13,030	12,922	13,707	785
24.0	Printing and reproduction	775	764	857	93
25.1	Advisory and assistance services	7,232	7,745	8,837	1,092
25.2	Other services	45,763	44,981	45,797	816
25.3	Purchases of goods & svcs. from gov't accounts	4,050	4,094	4,303	209
25.4	Operation & maintenance of facilities	15,810	13,560	14,640	1,080
25.5	Research and development	-	-	-	-
25.6	Medical care	10,438	10,799	12,577	1,778
25.7	Operation and maintenance of equipment	26,228	24,343	32,697	8,355
25.8	Subsistence and support of persons	3,184	3,481	3,373	(108)
26.0	Supplies and materials	43,048	37,293	40,948	3,655
31.0	Equipment	14,121	13,810	15,214	1,404
32.0	Land and structures	3,116	3,148	8,268	5,120
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	224	220	227	8
Total, Central Accounts		**$ 192,820**	**$ 183,150**	**$ 207,954**	**$ 24,804**
Full Time Equivalents		-	-	-	-

NOTE 1: These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY 2007 represents the first year the Coast Guard has displayed numbers in this fashion.

NOTE 2: FY 2006 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

PPA Mission Statement

This request provides funding for accounts centrally managed at Coast Guard Headquarters such as: Federal Telephone System (FTS) accounts, Standard Workstation recapitalization, ammunition replenishment, recapitalization of buoys, GSA Rent, postal expenses and Mass Transit benefits. Request ensures critical support elements are provided to the workforce, allowing them to execute their roles in supporting Coast Guard operations. Lease of adequate office space, effective communications (computers, phones, etc) and operational gear (ammunication) are all par of those critical support requirements.

Summary Justification and Explanation of Changes

GSA rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 5,160	$ 5,070	$ 5,790	$ 720

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request primarily represents non-pay related inflation attributed to GSA rental costs, as well as funding for leased facilities to support additional FTE requested for Airborne Use of Force (AUF).

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 642	$ 919	$ 717	$ (202)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.). In FY 2007, new funding required is attributed to rental fees for records storage at the National Archives, and leased hangar space for the National Capital Region Air Defense (NCRAD) mission helicopters at Reagan National Airport in Washington, D. C.

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 13,030	$ 12,922	$ 13,707	$ 785

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs. The FY 2007 request includes data costs related to the National Automatic Information System (NAIS), user charges for the National Telecommunication and Information Administration, and funding to account for the increase in postage fees.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 775	$ 764	$ 857	$ 93

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. FY 2007 request includes the annualization of FY 2006 funding for print services.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 7,232	$ 7,745	$ 8,837	$ 1,092

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities. The FY 2007 request includes non-pay related inflation related to support of current contract and advisory staffs.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 45,763	$ 44,981	$ 45,797	$ 816

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions. The FY 2007 request includes non-pay inflation related to current services provided by other non-Federal sources.

Purchases of goods & svcs. from gov't accounts

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 4,050	$ 4,094	$ 4,303	$ 209

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Specifically, funds support the purchase of goods and services from other government agencies including interagency service requirements (e.g. MIPR). The FY 2007 request includes the annualization of FY 2006 initiatives, as well as an increase in security services for GSA leased facilities.

Operation & maintenance of facilities

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 15,810	$ 13,560	$ 14,640	$ 1,080

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Specifically, funds support contracted janitorial, landscaping, security, and environmental services (e.g. hazardous materials disposal) associated with the operation of Coast Guard facilities. The FY 2007 request includes follow-on funding to support shore infrastructure constructed in 2005 and 2006 that will be completed in FY 2007.

Medical care

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 10,438	$ 10,799	$ 12,577	$ 1,778

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. Specifically, funding supports medical care costs for 46,829 military members. The FY 2007 request includes an adjustment for medical cost increases due to inflation.

Operation and maintenance of equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 26,228	$ 24,343	$ 32,697	$ 8,355

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. Specifically, funding supports contracted specialized maintenance and minor repair of Coast Guard operational assets (e.g. cutters, boats, and aircraft) and supporting systems. The FY 2007 request includes funding for inflation exceeding non-pay COLA, calculated using industry standards, SIPRNET infrastructure contributing to Maritime Domain Awareness and procurement of spare parts and cannisters for the Self-Contained Breathing apparatus.

Subsistence and support of persons

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 3,184	$ 3,481	$ 3,373	$ (108)

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. Specifically, funding supports berthing and subsistence of Coast Guard personnel in support of temporary assigned duty (TDY). The FY 2007 request primarily supports the annualization of FY 2006 initiatives.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 43,048	$ 37,293	$ 40,948	$ 3,655

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies. The FY 2007 request does not reflected funding for any new initatives; it only covers the anticipated non-pay related inflation associated with purchasing supplies and materials in FY 2007 at the field unit level.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 14,121	$ 13,810	$ 15,214	$ 1,404

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska. The FY 2007 request includes the procurement of the Self-Contained Breathing Apparatuses (SCBAs), equipment for the second National Security Cutter (NSC); Chemical, Biological Radiological, Nuclear (CBRNE) detection gear for the Maritime Security Response Team (MSRT); and equipment needed to support new shore facilities constructed in 2005 and 2006 that are completed by FY2007.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 3,116	$ 3,148	$ 8,268	$ 5,120

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. Specifically, the FY 2007 request supports minor construction or improvements to Coast Guard shore facilities required to support the Nationwide Automatic Identification System (NAIS).

Insurance claims and indemnity

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 224	$ 220	$ 227	$ 8

This covers indemnities for fire, flooding and casualty as related to the Response-Boat Medium acquired in FY 2006.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
PPA VI: Intermediate and Depot Level Maintenance
Funding Schedule
(Dollars in Thousands)

PPA VI: Intermediate and Depot Level Maintenance		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	19,052	17,456	19,789	2,332
23.2	Other rent	2,369	3,164	2,450	(714)
23.3	Communication, utilities, and misc charges	48,108	44,488	46,846	2,358
24.0	Printing and reproduction	2,861	2,629	2,928	299
25.1	Advisory and assistance services	26,700	26,664	30,204	3,539
25.2	Other services	168,969	154,860	156,521	1,661
25.3	Purchases of goods & svcs. from gov't accounts	14,955	14,096	14,708	612
25.4	Operation & maintenance of facilities	58,375	46,685	50,037	3,352
25.5	Research and development	-	-	-	
25.6	Medical care	38,539	37,179	42,986	5,807
25.7	Operation and maintenance of equipment	96,838	83,807	111,751	27,944
25.8	Subsistence and support of persons	11,754	11,986	11,529	(456)
26.0	Supplies and materials	158,942	128,392	139,950	11,558
31.0	Equipment	52,140	47,543	51,996	4,453
32.0	Land and structures	11,506	10,839	28,258	17,419
41.0	Grants, subsidies and contributions	-	-	-	
42.0	Insurance claims and indemnity	825	757	777	21
Total, Intermediate and Depot Level Maintenance		**$ 711,934**	**$ 630,547**	**$ 710,729**	**$ 80,182**
Full Time Equivalents		-	-	-	-

NOTE 1: These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY 2007 represents the first year the Coast Guard has displayed numbers in this fashion.

NOTE 2: FY 2006 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

PPA Mission Statement

Request provides service-wide funding to support the major maintenance and repair of Coast Guard aircraft not appropriated in the Coast Guard Acquisition, Construction & Improvements (AC&I) appropriation. This includes materials, services and supplies necessary for depot-level repair of buildings, structures, ground, towers, runways, aids to navigation, aircraft and aircraft equipment.

Summary Justification and Explanation of Changes

GSA rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 19,052	$ 17,456	$ 19,789	$ 2,332

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request primarily represents non-pay related inflation attributed to GSA rental costs, as well as funding for leased facilities to support additional FTE requested for Airborne Use of Force (AUF).

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,369	$ 3,164	$ 2,450	$ (714)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.). In FY 2007, new funding required is attributed to rental fees for records storage at the National Archives, and leased hangar space for the National Capital Region Air Defense (NCRAD) mission helicopters at Reagan National Airport in Washington, D. C.

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 48,108	$ 44,488	$ 46,846	$ 2,358

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs. The FY 2007 request includes funding to provide Secret Internet Protocol Router Network (SIPRNET) for the first National Security Cutter (NSC), data costs related to the National Automatic Information System (NAIS), user charges for the National Telecommunication and Information Administration, funding to support Sector Command Center communications equipment, and finally, funding to account for the increase in postage fees.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,861	$ 2,629	$ 2,928	$ 299

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. FY 2007 request includes the annualization of FY 2006 funding for print services, and follow-on printing costs associated with Maritime Domain Awareness initiatives.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 26,700	$ 26,664	$ 30,204	$ 3,539

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities. The FY 2007 request includes contracted technical support for Financial Audit Remediation, and administrative support for our Maritime Domain Awareness (MDA) personnel. (efficiencies?)

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 168,969	$ 154,860	$ 156,521	$ 1,661

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions. The FY 2007 request includes a reduction in this object class as a result of management efficiencies found within this area.

Purchases of goods & svcs. from gov't accounts

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 14,955	$ 14,096	$ 14,708	$ 612

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Specifically, funds support the purchase of goods and services from other government agencies including interagency service requirements (e.g. MIPR). The FY 2007 request includes the annualization of FY 2006 initiatives, as well as an increase in security services for GSA leased facilities.

Operation & maintenance of facilities

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 58,375	$ 46,685	$ 50,037	$ 3,352

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Specifically, funds support contracted janitorial, landscaping, security, and environmental services (e.g. hazardous materials disposal) associated with the operation of Coast Guard facilities. The FY 2007 request includes increased shore support costs associated with the operation of a High Endurance Cutter in Kodiak, AK, upon its move from Alameda, CA, as well as follow-on funding to support shore infrastructure constructed in 2005 and 2006 that will be completed in FY 2007.

Medical care

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 38,539	$ 37,179	$ 42,986	$ 5,807

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. Specifically, funding supports medical care costs for 46,829 military members. The FY 2007 request includes a base adjustment, and an increase in medical care funding for additional personnel (371 FTE) included in the FY 2007 budget and to adjust for medical cost increases due to inflation.

Operation and maintenance of equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 96,838	$ 83,807	$ 111,751	$ 27,944

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. Specifically, funding supports contracted specialized maintenance and minor repair of Coast Guard operational assets (e.g. cutters, boats, and aircraft) and supporting systems. The FY 2007 request includes funding for inflation exceeding non-pay COLA, calculated using industry standards, and funding to support Maritime Patrol Aircraft, SIPRNET infrastructure contributing to Maritime Domain Awareness, procurement of spare parts and cannisters for the Self-Contained Breathing apparatus, and equipment related to the National Capital Region Air Defense (NCRAD) mission.

Subsistence and support of persons

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 11,754	$ 11,986	$ 11,529	$ (456)

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. Specifically, funding supports berthing and subsistence of Coast Guard personnel in support of temporary assigned duty (TDY). The FY 2007 request primarily supports personnel assigned to the National Capital Region Air Defense (NCRAD) mission, as well as the annualization of FY06 initiatives.

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Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 158,942	$ 128,392	$ 139,950	$ 11,558

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies. The FY 2007 request does not reflected funding for any new initatives; it only covers the anticipated non-pay related inflation associated with purchasing supplies and materials in FY 2007 at the field unit level.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 52,140	$ 47,543	$ 51,996	$ 4,453

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska. The FY 2007 request includes the procurement of the Self-Contained Breathing Apparatuses (SCBAs), equipment for the second National Security Cutter (NSC); Chemical, Biological Radiological, Nuclear (CBRNE) detection gear for the Maritime Security Response Team (MSRT); and equipment needed to support new shore facilities constructed in 2005 and 2006 that are completed by FY2007.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 11,506	$ 10,839	$ 28,258	$ 17,419

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. Specifically, the FY 2007 request supports minor construction or improvements to Coast Guard shore facilities required to support the Nationwide Automatic Identification System (NAIS).

Insurance claims and indemnity

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 825	$ 757	$ 777	$ 21

This covers indemnities for fire, flooding and casualty as related to the Response-Boat Medium acquired in FY 2006.

I. Schedule of Working Capital Fund

Department of Homeland Security
U. S. Coast Guard
Operating Expenses
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Fee for Service Activity	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	Increase / Decrease for FY 2007	Justification for Change from FY06 to FY07
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	
Consolidated Subscriptions (Library of Congress)	482,270	528,122	539,217	11,095	Inflation Increase and increase in users & subscription requirements.
Financial Statement Audit	3,418,294	4,262,999	4,504,988	241,989	Increase in Audit hours and inflation.
TIER	34,093	44,807	48,410	3,603	System enhancement for TIER.
NFC Payroll Services & Reporting	-	1,673,706	1,903,289	229,583	Increase in agreement amount with NIFCO.
(HOBS) Payroll Service Ops	-	295,448	290,249	(5,199)	Inflation Increase
Flexible Spending Plan	27,929	78,741	78,741	-	
DHS EXEC. LEAD. (SES CAP, Sec Conf)	-	11,902	12,105	203	Inflation Increase
HQ Executive Lead. Dev (TIE, SES Forum, Gen. Enforce Tang)	4,239	-	-	-	Cost savings associated by consolidating requirements.
CIO/DHS Infrastructure Transfer Pam	3,000,000	3,000,000	3,000,000	-	
Software Enterprise Licenses - Microsoft	1,816,020	1,036,722	10,118,111	9,081,389	Increase reflects contractual requirements for the components.
Software Enterprise Licenses - Creditialing & Accredidation	589,224				
Board of Contract Appeals	36,718	65,985	65,985	-	
Government Advisory Committee Survey Training	-	11,500	-	(11,500)	
Smartcard	-	-	273,004	273,004	O & M charges for the SMARTCARD system.
EMAIL Support	54,727	-	-	-	
Sub-Total	**9,463,514**	**11,009,932**	**20,834,099**	**9,824,167**	
Government-wide Mandated Service Activity				-	
Interagency Council Funding	187,970	153,432	156,040	2,608	Inflation Increase
Recruitment One-Stop	9,190	18,159	19,067	908	OMB approved increased for e-Gov initiatives
e-Training	597,602	103,969	103,969	-	
Enterprise HR Integration (HEIR)	179,452	108,218	166,140	57,922	Cost savings associated in partnership with the office of Personnel Management, resulted in a more streamlined and automated electronic exchange of standardization HR data.
Business Gateway	197,231	183,208	188,711	5,503	OMB approved increases for e-Gov initiatives.
e-Rulemaking	240,710	183,160	188,711	5,551	OMB approved increases for e-Gov initiatives.
e-Travel	188,565	36,619	37,720	1,101	OMB approved increases for e-Gov initiatives.
Case Management Line of Business	13,320	13,320	13,720	400	OMB approved increases for e-Gov initiatives.
e-Grants.gov	5,057	5,057	5,340	283	OMB approved increases for e-Gov initiatives.
e-Authentication	102,782	20,475	21,067	592	OMB approved increases for e-Gov initiatives.

Fee for Service Activity	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	Increase / Decrease for FY 2007	Justification for Change from FY06 to FY07
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	
Human Resources Line of Business	8,795	8,273	8,273	-	
e-go Benefits	7,788	7,338	7,338	-	
Financial Management Line of Business	22,575	18,501	18,871	370	OMB approved increases for e-Gov initiatives.
e-gov Integrated Acquisition Environment	384,020	416,220	428,632	12,412	OMB approved increases for e-Gov initiatives.
GeoSpatial One-Stop	-	-	-	-	
e-Records Management	-	-	-	-	
e-gov. SAFECOM	125,520	-	-	-	
e-gov. Disaster Management (DisasterHelp.gov)	1,640,207	1,797,516	1,797,516	-	
Sub-Total	**3,910,784**	**3,073,465**	**3,161,115**	**87,650**	
DHS Crosscutting Activity					
Capital Planning and Investment Control (CPIC)	1,223,949	563,446	573,025	9,579	Inflation Increase
Ready Campaign (Ready.gov)	137,572	132,097	134,762	2,665	Inflation Increase
Strategic Sourcing	136,817	85,086	119,439	34,353	Increase in Commodity Councils
Competitive Sourcing	9,674	9,228	9,384	156	Inflation Increase
CPO Shared Reporting	44,878	27,755	28,227	472	Inflation Increase
Information Sharing & Collaboration Pgm	1,087,955	-	-	-	
Sub-Total	**2,640,845**	**817,612**	**864,837**	**47,225**	
WCF Management Activity					
Working Capital Fund Operations	35,590	32,260	33,099	839	
Sub-Total	**35,590**	**32,260**	**33,099**	**839**	
New Requests					
Shuttle Services	-	905,000	920,385	15,385	
Transit Subdity	-	7,923	8,057	134	
Internal Control Audit	-	2,028,892	2,177,948	149,056	
Communications Security Modernization	-	-		-	
Sub-Total	**-**	**2,941,815**	**3,106,390**	**164,575**	
Total Working Capital Fund	**16,050,733**	**17,875,084**	**27,999,540**	**10,124,456**	**Increase based on pro-rata share of each components FY07 WCF assessment to include inflation.**

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Department of Homeland Security

United States Coast Guard

Environmental Compliance and Restoration

Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard
Environmental Compliance and Restoration

I. Appropriation Overview

A. Mission Statement for Environmental Compliance and Restoration:

Environmental Compliance and Restoration (EC&R) will provide for (1) environmental cleanup and restoration of current and formerly contaminated Coast Guard facilities, and (2) engineering fixes on Coast Guard assets for the purpose of complying with environmental laws to prevent contamination or preclude environmental damage from developing. Failure to meet restoration or compliance responsibilities could subject to Coast Guard to fines, penalties, or shutdown of operational assets by environmental regulators. In addition, Coast Guard EC&R funding supports site investigation and remediation activities at older shore facilities slated for property divestiture or transfer actions; this primarily includes divestiture of lighthouses in support of the National Historic Lighthouse Preservation Act.

B. Budget Activities:

Environmental Compliance and Restoration activities support for our traditional missions that include Search and Rescue (SAR), Marine Safety, Aids to Navigation (AtoN), Ice Operations, Marine Environmental Protection (MEP), Living Marine Resources (LMR), Drug Interdiction, Migrant Interdiction, Other Law Enforcement, Ports, Waterways and Coastal Security (PWCS) and Defense Readiness.

C. Budget Request Summary:

The Coast Guard requests 25 positions, 24 FTE, and $11,880,000 ($9.14 million in project funding, $2.74 million in personnel funding) in FY 2007 to provide for environmental remediation and restoration of Coast Guard facilities, including Kodiak, AK, Elizabeth City, NC and Baltimore, MD. The adjustment to base is a decrease of $400,000. No program increase is requested for FY 2007.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance and Restoration
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1. Environmental Compliance and Restoration	24	$ 16,809	24	$ 11,880	24	$ 11,880	-	$ -	-	$ -	-	$ -
Emergency Hurricane/GWOT/Tsunami Relief Supplemental		$ -		$ 400		$ -		$ (400)		$ -		$ (400)
Subtotal, Enacted Appropriations and Budget Estimates	**24**	**$ 16,809**	**24**	**$ 12,280**	**24**	**$ 11,880**	**-**	**$ (400)**	**-**	**$ -**	**-**	**$ (400)**
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	**24**	**$ 16,809**	**24**	**$ 12,280**	**24**	**$ 11,880**	**-**	**$ (400)**	**-**	**$ -**	**-**	**$ (400)**

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III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance and Restoration
Program Performance Justification
(Dollars in Thousands)

PPA I: ENVIRONMENTAL COMPLIANCE AND RESTORATION

	Perm Pos	FTE	Amount
2005 Actual	**25**	**24**	**$16,809**
2006 Revised Enacted	**25**	**24**	**12,280**
2007 Adjustments-to-Base	...	...	(400)
2007 Current Services	**25**	**24**	**11,880**
2007 Program Change	...	...	0
2007 Request	**25**	**24**	**11,880**
Total Change 2006-2007	...	...	(400)

The Coast Guard requests $11.9 million for this activity. This is a decrease of $400 thousand over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The FY 2007 budget requests $11.88 million to remain available until expended, including $9.14 million in project funding and $2.74 million in personnel funding, to carry out the Coast Guard's Environmental Compliance and Restoration (EC&R) functions under Chapter 19 of Title 14, United States Code.

These responsibilities include environmental cleanup and restoration of current and former contaminated Coast Guard facilities, and engineering repairs on Coast Guard assets for the purpose of complying with environmental laws to prevent contamination or preclude an environmental liability from developing. Failure to meet restoration or compliance responsibilities could subject the Coast Guard to fines, penalties or shutdown of operational assets by environmental regulators. The Coast Guard will continue its policy of addressing the most serious contaminated problems first, including contamination remediation efforts started during previous fiscal years.

In FY 2007, with $11.88 million in EC&R funding, the Coast Guard can meet all legally mandated cleanup/remediation efforts in Kodiak, AK; Elizabeth City, NC; and Baltimore, MD. The Coast Guard will continue to place emphasis on divestiture efforts that involve cleanup projects at older shore facilities and lighthouses. The Coast Guard

will also continue surveying efforts, through the aids to navigation (AToN) battery recovery program, to identify outstanding batteries and plan for necessary recovery and disposal efforts. Funds will also be programmed for compliance efforts to construct or improve hazardous waste storage facilities, storage tank spill containments and equipment wash down facilities to meet environmental regulations. Funds requested in FY 2007 will be adequate to continue to perform all of these activities.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Environmental Compliance and Restoration
Appropriation Language

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under Chapter 19 of Title 14, United States Code, [$12,280,000] ***$11,880,000***, to remain available until expended. *(Department of Homeland Security Appropriations Act, 2006).*

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance and Restoration
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**25**	**24**	**16,809**
2006 Revised Enacted	**25**	**24**	**12,280**
Adjustments-to-Base			
Transfers to and from other accounts			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	-	-	-
Increases			
Annualization of prior year funding	-	-	-
2007 Pay Raise	-	-	-
Non-Pay Inflation	-	-	-
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	-
Decreases			
Termination of one-time costs	-	-	(400)
Management and Technology Efficiencies	-	-	-
Total Decreases	-	-	(400)
Total Adjustments-to-Base	-	-	(400)
2007 Current Services	**25**	**24**	**11,880**
Program Changes			
Program Increases/(Decreases)	-	-	-
Total Program Changes	-	-	-
2007 Request	**25**	**24**	**11,880**
2006 to 2007 Total Change	-	-	**(400)**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance and Restoration
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	FTE	Amount
2005 Actual	25	24	16,809
2006 Revised Enacted	25	24	12,280
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	-	-	-
Increases	-	-	-
Decreases	-	-	(400)
Total Adjustments-to-Base	-	-	(400)
2007 Current Services	25	24	11,880
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	-
2007 Total Request	25	24	11,880
2006 to 2007 Total Change	-	-	(400)

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
PPA 1	25	24	12,280	-	-	(400)	-	-	-	25	24	11,880	-	-	(400)
Total Enivornmental Compliance and Restoration	25	24	12,280	-	-	(400)	-	-	-	25	24	11,880	-	-	(400)

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D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance & Restoration
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	1,939	2,057	2,152	95
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	14	15	16	1
11.7	Military personnel	97	99	101	2
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	512	543	568	25
12.2	Military personnel benefits	6	6	6	-
13.0	Benefits-former	-	-	-	-
	Total, Personnel Comp. & Benefits	**$ 2,568**	**$ 2,720**	**$ 2,843**	**$ 123**
Other Objects Classes:					
21.0	Travel	76	58	48	(10)
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	695	465	441	(24)
25.2	Other services	13,027	8,166	7,764	(402)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	267	202	169	(33)
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	535	503	(32)
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	148	112	94	(18)
31.0	Equipment	28	22	18	(4)
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	**$ 14,241**	**$ 9,560**	**$ 9,037**	**$ (523)**
	Total Direct Obligations	**$ 16,809**	**$ 12,280**	**$ 11,880**	**$ (400)**
	Unobligated balance, start of year	(1,449)	(1,640)	(1,640)	
	Unobligated balance, end of year	1,640	1,640	1,640	
	Total Requirements	**$ 17,000**	**$ 12,280**	**$ 11,880**	

Note: Total direct obligations does not include advances and reimbursements

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance and Restoration - Military
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
O-10	0	0	0	0
O-9	-	-	-	-
O-8	-	-	-	-
O-7	-	-	-	-
O-6	-	-	-	-
O-5	-	-	-	-
O-4	1	1	1	-
O-3	-	-	-	-
O-2	-	-	-	-
O-1	-	-	-	-
CWO4	-	-	-	-
Cadet	-	-	-	-
E-10	-	-	-	-
E-9	-	-	-	-
E-8	-	-	-	-
E-7	-	-	-	-
E-6	-	-	-	-
E-5	-	-	-	-
E-4	-	-	-	-
E-3	-	-	-	-
E-2	-	-	-	-
E-1	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	1	1	1	-
Unfilled Positions EOY	-	-	-	-
Total Perm. Employment EOY	1	1	1	-
FTE*	1	1	1	-
Headquarters	1	1	1	-
U.S. Field	-	-	-	-
Foreign Field	-	-	-	-
Total Permanent Positions	1	1	1	-
Position Data:				
Average Salary, Officer Positions**	$101,613.00	$105,274.00	$108,655.00	$3,381.00
Average Grade, Officer Position	4	4	4	4

*The Coast Guard manages the military workforce by end strength, not FTE. The military FTE represented in these numbers are monthly end strengths averaged over the year.

**The military pay and allowances averages include the costs associated with all pay and allowances paid to a particular paygrade, including: Basic Pay, Basic Allowance for Housing, Basic Allowance for Subsistence, Federal Insurance Contributions, Incentive/Special Pays, Clothing Allowances, Cost-of-Living Allowances and Selective Re-enlistment Bonus payments. The term "Officer" includes Chief Warrant Officers, Cadets and Officer Candidates.

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F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance and Restoration - Civilian
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
Total, SES	-	-	-	-
Total, EX	-	-	-	-
GS-15	1	1	1	-
GS-14	2	2	2	-
GS-13	7	7	7	-
GS-12	14	14	14	-
GS-11	-	-	-	-
GS-10	-	-	-	-
GS-9	-	-	-	-
GS-8	-	-	-	-
GS-7	-	-	-	-
GS-6	-	-	-	-
GS-5	-	-	-	-
GS-4	-	-	-	-
GS-3	-	-	-	-
GS-2	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	24	24	24	-
Unfilled Positions EOY	1	2	2	-
Total Perm. Employment (Filled Positions) EOY	23	22	22	-
FTE	23	23	23	-
Headquarters	4	4	4	0
U.S. Field	20	20	20	(0)
Foreign Field	-	-	-	-
Total Permanent Positions	24	24	24	-
Position Data:				
Average Personnel Costs, ES Positions	n/a	n/a	n/a	n/a
Average Personnel Costs, GS Positions	$102,908.33	$105,883.33	$108,583.33	$ 2,700
Average Grade, GS Positions	12.58	12.58	12.58	0.00

The average personnel costs shown above include basic/locality pay, lump sum payments, awards, overtime, benefits such as retirement, health care and life insurance, and other compensation such as holiday, Sunday, hazardous duty, reemployment annuitant and severance pays, night differential, non foreign Cost-of-Living Allowance, premium compensation for firefighters. Civilian FTP is presented as a count of full time positions, vice full time employees.

G. Capital Investment and Construction Initiative Listing

Not Applicable

CG-EC&R-13

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Environmental Compliance & Restoration
PPA I
Funding Schedule
(Dollars in Thousands)

Environmental Compliance & Restoration		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes					
11.1	Full-time permanent	1,939	2,057	2,152	95
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	14	15	16	1
11.7	Military personnel	97	99	101	2
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	512	543	568	25
12.2	Military personnel benefits	6	6	6	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	76	58	48	(10)
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	695	465	441	(24)
25.2	Other services	13,027	8,166	7,764	(402)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	267	202	169	(33)
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	535	503	(32)
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	148	112	94	(18)
31.0	Equipment	28	22	18	(4)
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 16,809**	**$ 12,280**	**$ 11,880**	**$ (400)**
Full Time Equivalents		**24**	**24**	**24**	**-**

PPA Mission Statement

Environmental Compliance and Restoration (EC&R) will provide for (1) environmental cleanup and restoration of current and formerly contaminated Coast Guard facilities, and (2) engineering fixes on Coast Guard assets for the purpose of complying with environmental laws to prevent contamination or preclude environmental damage from developing. Failure to meet restoration or compliance responsibilities could subject to Coast Guard to fines, penalties, or shutdown of operational assets by environmental regulators. In addition, Coast Guard EC&R funding supports site investigation and remediation activities at older shore facilities slated for property divestiture or transfer actions; this primarily includes divestiture of lighthouses in support of the National Historic Lighthouse Preservation Act.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,568	$ 2,720	$ 2,843	$ 123

Salaries and Benefits include costs for 24 FTEs. The FY 2007 request includes an increase of $123K to account for inflation and planned internal personnel reprogramming issues.

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 76	$ 58	$ 48	$ (10)

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Change is indicative of savings generated by program management review. Net savings is being redirected towards direct environmental remediation expenses.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 695	$ 465	$ 441	$ (24)

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Change is indicative of savings generated by program management review. Net savings is being redirected towards direct environmental remediation expenses.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 13,027	$ 8,166	$ 7,764	$ (402)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Change is indicative of savings generated by program management review. Net savings is being redirected towards direct environmental remediation expenses.

Operation & maintenance of facilities

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 267	$ 202	$ 169	$ (33)

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Change is indicative of savings generated by program management review. Net savings is being redirected towards direct environmental remediation expenses.

Operation and maintenance of equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ -	$ 535	$ 503	$ (32)

Change is indicative of savings generated by program management review. Net savings is being redirected towards direct environmental remediation expenses.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 148	$ 112	$ 94	$ (18)

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are in use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. Change is indicative of savings generated by program management review. Net savings is being redirected towards direct environmental remediation expenses.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 28	$ 22	$ 18	$ (4)

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. Change is indicative of savings generated by program management review. Net savings is being redirected towards direct environmental remediation expenses.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

United States Coast Guard

Reserve Training

Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard
Reserve Training

I. Appropriation Overview

A. Mission Statement for Reserve Training:

Reserve Training (RT) will provide trained units and qualified personnel to be available for active duty in the Coast Guard in time of war or national emergency. In addition, the Coast Guard Reserve may be called upon to provide units and personnel to fill the needs of the Coast Guard at such times as the national security may require should these needs exceed the capacity of the Coast Guard's active duty force.

B. Budget Activities:

Reserve forces contribute to all Coast Guard missions, including Search and Rescue (SAR), Marine Safety, Aids to Navigation (AtoN), Ice Operations, Marine Environmental Protection (MEP), Living Marine Resources (LMR), Drug Interdiction, Migrant Interdiction, Other Law Enforcement, Ports, Waterways and Coastal Security (PWCS) and Defense Readiness

C. Budget Request Summary:

The Coast Guard requests 536 positions, 536 FTE, and $123,948,000 in FY 2007; this will provide necessary resources for the training, operation and administration of the Coast Guard Reserve Program, ensuring that the Reserve component is prepared to respond when called upon. The adjustment to base is $6,138,00; no program increase is required FY2007.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Reserve Training
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
I. Pay, Benefits and Allowances	532	$ 90,248	536	$ 98,992	536	$ 104,606	-	$ 5,614	-	$ -	-	$ 5,614
II. Operations, Maintenance and Administration	-	$ 19,217	-	$ 18,818	-	$ 19,342	-	$ 524	-	$ -	-	$ 524
Less Subtotal, Enacted Appropriations and Budget Estimates	532	$ 109,465	536	$ 117,810	536	$ 123,948	-	$ 6,138	-	$ -	-	$ 6,138
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	532	$ 109,465	536	$ 117,810	536	$ 123,948	-	$ 6,138	-	$ -	-	$ 6,138

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III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Coast Guard
Reserve Training
Program Performance Justification
(Dollars in Thousands)

PPA I: PAY, BENEFITS AND ALLOWANCES

	Perm Pos	FTE	Amount
2005 Actual	**534**	**532**	**$90,248**
2006 Revised Enacted	**536**	**536**	**98,992**
2007 Adjustments-to-Base	...	...	5,614
2007 Current Services	**536**	**536**	**104,606**
2007 Program Change	...	...	...
2007 Request	**536**	**536**	**104,606**
Total Change 2006-2007	...	...	5,614

The Coast Guard requests $104.6 million for this activity. This is an increase of $5.6 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This request for pay, benefits and allowances funds costs associated with salaries, benefits and other compensation for full-time staffs that support the 8,100 members of the Coast Guard's Selected Reserve. The Coast Guard Reserve is the Coast Guard's surge capacity military workforce, and provides a cost-effective method of augmenting operations in response to major contingencies, such as natural and man-made disasters, maritime homeland security and national defense. Readiness is the foundation of the Coast Guard's ability to prevent and respond to incidents of national significance. A cornerstone of readiness is the Coast Guard Reserve. Readiness is the key to daily mission performance as well as the capacity to respond to national incidents. In FY 2005, the Coast Guard Reserve was an invaluable part of the Coast Guard's heroic response to hurricanes Katrina and Rita, as well as a provider of support to Operation Enduring Freedom and Operation Iraqi Freedom. The Coast Guard Reserve provides an outstanding return on investment; even when not mobilizing in response to contingency operations, reservists provide valuable augmentation of the active duty workforce while performing mobilization training during their Inactive Duty Training (IDT) and Active Duty Training (ADT) periods. The 536 full time equivalents included in this request include both active duty military personnel and full time civilian employees who manage the Reserve program through performance such tasks as recruiting, formal training, personnel management and resource/program management.

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Coast Guard
Reserve Training
Program Performance Justification
(Dollars in Thousands)

Funding requested will support the projected pay raise (currently estimated at 2.2%) for all active duty military service members and civilian personnel, as well as benefits that include High-Priority Unit and affiliation bonuses and entitlement pay. No additional FTE are requested.

PPA II: OPERATIONS, MAINTENANCE AND ADMINISTRATION

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$19,217**
2006 Revised Enacted	...	...	**18,818**
2007 Adjustments to Base	...	...	524
2007 Current Services	...	...	**19,342**
2007 Program Change	...	...	...
2007 Request	...	...	**19,342**
Total Change 2006-2007	...	...	524

The Coast Guard requests $19.3 million for this activity. This is an increase of $524 thousand over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

This request for operations, maintenance and administration funds the costs related to the training of reservists (initial and continuing training), the costs of administering the Reserve program and the portion of organizational costs shared by the Reserve Training appropriation for the day-to-day operation and maintenance of the Coast Guard Reserve program. Reservists attend many of the same classroom based training as members of the active component, and the Reserve Training appropriation provides funding for the portion of overhead and course-specific costs incurred by the Coast Guard Training Centers in training reservists. Similar Reserve Training cost sharing applies in other arenas, as well, such as military health care. By providing funding for enterprise-wide services used by reservists, the Reserve Training appropriation ensures that the equipment and facilities necessary to attract and maintain a high-caliber reserve force are in place without eroding the resource base that is necessary to perform these same tasks for the active duty military workforce. While they are not full time employees, Coast Guard reservists are boarding officers; they are small boat coxswains; they are contingency planners and marine inspectors. The Coast Guard Reserve is an extraordinary force multiplier upon which our nation can confidently rely in times of

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Coast Guard
Reserve Training
Program Performance Justification
(Dollars in Thousands)

exceptional need, embodying the very essence of the Coast Guard's motto: Semper Paratus (Always Ready).

Funding requested represents non-pay related inflation associated with the purchase of supplies and materials to sustain current operating levels.

ADJUSTMENTS-TO-BASE

INCREASES
$6,138,000

A. ANNUALIZATION OF PRIOR YEAR FUNDING.....2,616,000

Strategic Goal(s) & Objectives: 1.1, 1.2, 1.3, 1.4, 2.1, 2.3, 2.4, 2.5, 2.6, 3.1, 3.2, 3.6, 3.1, 3.2, 3.6, 3.7, 4.2, 4.3, 5.1, 5.2, 6.3, 6.4, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7

This item reflects FY 2007 savings associated with the termination of one-time costs for program start-up and exit transactions that were funded in FY 2006.

B. FY 2007 PAY INCREASE

1. MANDATORY PERSONNEL ENTITLEMENTS.....3,228,000

Strategic Goal(s) & Objectives: 7.3

Request funding for military and civilian reserve pay raises, mandatory military entitlement increases and medical inflation costs above the non-pay Cost of Living Allowance (COLA).

- Request three quarter funding for the FY 2007 proposed military and civilian pay raise effective January 1, 2007.
- Request funding for DOD personnel and policy mandates and projected mandatory military entitlement increases the Coast Guard anticipates incurring as a result of the FY 2007 National Defense Authorization Act.

C. NON –PAY ADJUSTMENTS.....$294,000

Strategic Goal(s) & Objectives: 7.7

III. Current Services Program Description by PPA

Department of Homeland Security
U.S. Coast Guard
Reserve Training
Program Performance Justification
(Dollars in Thousands)

Request the non-pay COLA for the Coast Guard Reserve program. Price escalation of goods and services during FY 2006 must be accommodated. Funding is requested to ensure that maintenance and logistics contracts are adequately funded to sustain essential services and enable the Coast Guard to effectively execute its Reserve program and its statutory responsibilities to the American public in FY 2007.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Reserve Training
Appropriation Language

For all necessary expenses of the Coast Guard Reserve, as authorized by law; operations and maintenance of the reserve program, personnel and training costs, equipment and services; [$117,810,000] ***$123,948,000***. *(Department of Homeland Security Appropriation Act, 2006.)*

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Reserve Training
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**534**	**532**	**109,465**
2006 Revised Enacted	**536**	**536**	**117,810**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	-	-	2,616
2007 Pay Raise	-	-	3,228
Non-Pay Inflation	-	-	294
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	6,138
Decreases			
Termination of one-time costs	-	-	-
Management and Technology Efficiencies	-	-	-
Total Decreases	-	-	-
Total Adjustments-to-Base	-	-	**6,138**
2007 Current Services	**536**	**536**	**123,948**
Program Changes			
Program Increases/(Decreases)	-	-	-
Total Program Changes	-	-	-
2007 Request	**536**	**536**	**123,948**
2006 to 2007 Total Change	-	-	**6,138**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Reserve Training
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	FTE	Amount
2005 Actual	534	532	109,465
2006 Revised Enacted	536	536	117,810
Adjustments-to-Base (See "FY 2006 to Fy 2007 Budget Change" for details)			
Transfers	-	-	-
Increases	-	-	6,138
Decreases	-	-	-
Total Adjustments-to-Base	-	-	6,138
2007 Current Services	536	536	123,948
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	-
2007 Total Request	536	536	123,948
2006 to 2007 Total Change	-	-	6,138

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Pay, Benefits and Allowances	536	536	98,992	-	-	5,614	-	-	-	536	536	104,606	-	-	5,614
Operations, Maintenance and Administration	-	-	18,818	-	-	524	-	-	-	-	-	19,342	-	-	524
Total Reserve Training	536	536	117,810	-	-	6,138	-	-	-	536	536	123,948	-	-	6,138

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D. Summary of Reimbursable Resources

Department of Homeland Security
U. S. Coast Guard
Reserve Training
Summary of Reimbursable Resources
(Dollars in Thousands)

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Collections by Source	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Selective Service	-	-	3	-	-	50	-	-	50	-	-	-
Total Budgetary Resources	-	-	3	-	-	50	-	-	50	-	-	-

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Obligations by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
PPA 1	-	-	-	-	-	-	-	-	-	-	-	-
PPA 2	-	-	-	-	-	-	-	-	-	-	-	-
Total Obligations	-	-	3	-	-	50	-	-	50	-	-	-

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Reserve Training
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	4,326	5,173	5,427	254
11.3	Other than full-time permanent	28	33	35	2
11.5	Other personnel compensation	109	130	136	6
11.7	Military personnel	65,748	68,636	72,436	3,800
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	1,131	1,353	1,419	66
12.2	Military personnel benefits	16,943	21,593	23,046	1,453
13.0	Benefits-former	-	-	-	-
	Total, Personnel Comp. & Benefits	**$ 88,285**	**$ 96,918**	**$ 102,499**	**$ 5,581**
Other Objects Classes:					
21.0	Travel	15,957	14,937	15,353	416
22.0	Transportation of things	1	1	1	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	168	157	162	5
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	2,906	2,720	2,796	76
25.3	Purchases of goods & svcs. from gov't accounts	2	2	2	-
25.4	Operation & maintenance of facilities	35	34	34	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	1,076	1,115	1,133	18
26.0	Supplies and materials	1,019	1,913	1,955	42
31.0	Equipment	11	11	11	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	2	2	2	-
	Total, Other Object Classes	**$ 21,177**	**$ 20,892**	**$ 21,449**	**$ 557**
	Total Direct Obligations	**$ 109,462**	**$ 117,810**	**$ 123,948**	**$ 6,138**
	Unobligated balance, start of year	-	-	-	
	Unobligated balance, end of year	3,538	-	-	
	Total Requirements	**$ 113,000**	**$ 117,810**	**$ 123,948**	

Note: Total direct obligations does not include advances and reimbursements of $3K in 2005.

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Reserve Training - Military
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
O-10	-	-	-	-
O-9	-	-	-	-
O-8	1	1	1	-
O-7	-	-	-	-
O-6	7	7	7	-
O-5	12	12	12	-
O-4	21	21	21	-
O-3	50	49	49	-
O-2	10	12	12	-
O-1	-	-	-	-
CWO4	19	19	19	-
Cadet	-	-	-	-
E-10	-	-	-	-
E-9	6	6	6	-
E-8	9	9	9	-
E-7	38	39	39	-
E-6	123	121	121	-
E-5	82	84	84	-
E-4	47	47	47	-
E-3	8	8	8	-
E-2	3	3	3	-
E-1	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	436	438	438	-
Unfilled Positions EOY	-	-	-	-
Total Perm. Employment EOY	436	438	438	-
FTE*	444	441	441	-
Headquarters	40	40	40	-
U.S. Field	396	398	398	-
Foreign Field	-	-	-	-
Total Permanent Positions	436	438	438	-
Position Data:				
Average Salary, Officer Positions**	$90,866.22	$93,732.55	$96,765.77	$3,033.22
Average Grade, Officer Positions	3.39	3.37	3.37	-0.02
Average Salary, Enlisted Positions**	$52,075.91	$53,932.55	$55,636.56	$1,704.01
Average Grade, Enlisted Positions	5.56	5.56	5.56	0.00

*The Coast Guard manages the military workforce by end strength, not FTE. The military FTE represented in these numbers are monthly end strengths averaged over the year.

**The military pay and allowances averages include the costs associated with all pay and allowances paid to a particular paygrade, including: Basic Pay, Basic Allowance for Housing, Basic Allowance for Subsistence, Federal Insurance Contributions, Incentive/Special Pays, Clothing Allowances, Cost-of-Living Allowances and Selective Re-enlistment Bonus payments. The term "Officer" includes Chief Warrant Officers, Cadets and Officer Candidates.

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F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Reserve Training - Civilian
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
Total, SES	-	-	-	-
Total, EX	-	-	-	-
GS-15	1	1	1	-
GS-14	4	4	4	-
GS-13	4	4	4	-
GS-12	11	10	10	-
GS-11	7	8	8	-
GS-10	-	-	-	-
GS-9	11	11	11	-
GS-8	5	5	5	-
GS-7	30	30	30	-
GS-6	14	14	14	-
GS-5	9	9	9	-
GS-4	1	1	1	-
GS-3	-	-	-	-
GS-2	-	-	-	-
Other Graded Positions	1	1	1	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	98	98	98	-
Unfilled Positions EOY	5	3	3	-
Total Perm. Employment (Filled Positions) EOY	93	95	95	-
FTE	88	95	95	-
Headquarters	11	11	11	-
U.S. Field	87	87	87	-
Foreign Field	-	-	-	-
Total Permanent Positions	98	98	98	-
Position Data:				
Average Personnel Costs, ES Positions	n/a	n/a	n/a	n/a
Average Personnel Costs, GS Positions	$67,811.34	$69,667.01	$71,568.04	$ 1,901
Average Grade, GS Positions	8.39	8.38	8.38	0.00

The average personnel costs shown above include basic/locality pay, lump sum payments, awards, overtime, benefits such as retirement, health care and life insurance, and other compensation such as holiday, Sunday, hazardous duty, reemployment annuitant and severance pays, night differential, non foreign Cost-of-Living Allowance, premium compensation for firefighters. Civilian FTP is presented as a count of full time positions, vice full time employees.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Reserve Training
PPA I: Pay, Benefits and Allowances
Funding Schedule
(Dollars in Thousands)

PPA I: Pay, Benefits and Allowances		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	4,326	5,173	5,427	254
11.3	Other than full-time permanent	28	33	35	2
11.5	Other personnel compensation	109	130	136	6
11.7	Military personnel	65,748	68,636	72,436	3,800
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	1,131	1,353	1,419	66
12.2	Military personnel benefits	16,943	21,593	23,046	1,453
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	1,076	1,115	1,133	18
26.0	Supplies and materials	884	959	974	15
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total, Pay, Benefits and Allowances		**$ 90,245**	**$ 98,992**	**$ 104,606**	**$ 5,614**
Full Time Equivalents		**532**	**536**	**536**	**-**

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, the Coast Guard transitioned from using four PPAs to two PPAs in FY07 to ensure accuracy in reporting of these estimates. As such, in order to show trends and a basis for analysis for FY07 to prior years, the Coast Guard converted the displays in FY05 and FY06 to two PPAs.

PPA Mission Statement

This PPA requests funding for expenses related to compensation for active duty military service members and civilian personnel who support the Reserve Training program. This category also includes pay, allowances, employer's share of FICA, Social Security credits and other expenses. Requested funding will compensate our 536 full-time personnel.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Reserve Training
PPA II: Operations, Maintenance and Administration
Funding Schedule
(Dollars in Thousands)

PPA II: Operations, Maintenance and Administration		2005 * Actual	2006 * Revised Enacted	2007 * Estimate	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	15,957	14,937	15,353	416
22.0	Transportation of things	1	1	1	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	168	157	162	5
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	2,906	2,720	2,796	76
25.3	Purchases of goods & svcs. from gov't accounts	2	2	2	-
25.4	Operation & maintenance of facilities	35	34	34	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	135	954	981	27
31.0	Equipment	11	11	11	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	2	2	2	-
Total, Operations, Maintenance and Administration		**$ 19,217**	**$ 18,818**	**$ 19,342**	**$ 524**
Full Time Equivalents		-	-	-	-

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, the Coast Guard transitioned from using four PPAs to two PPAs in FY07 to ensure accuracy in reporting of these estimates. As such, in order to show trends and a basis for analysis for FY07 to prior years, the Coast Guard converted the displays in FY05 and FY06 to two PPAs.

PPA Mission Statement

Requested funding supports operations, maintenance and administrative expenses associated with training the 8,100 Coast Guard Reservists that are currently part of the Selective Reserve.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 88,285	$ 96,918	$ 102,499	$ 5,581

Salaries and benefits funds provide for compensation directly related to duties performed for the Coast Guard by active duty military and civilian personnel who support the Reserve Training program. This includes costs for 536 FTE. The FY 2007 request includes funding for the proposed pay raise (currently estimated at 2.2% for both military and civilian in FY 2007) and inflation related to medical benefits and other mandatory personnel entitlements.

Subsistence and support of persons

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,076	$ 1,115	$ 1,133	$ 18

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging and care of persons, including prisoners. Specifically, funding supports berthing and subsistence of Coast Guard personnel in support of anticipated temporary assigned duty (TAD) during FY 2007. They FY 2007 request includes the anticipated increase in cost for berthing and subsistence.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 884	$ 959	$ 974	$ 15

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies. The FY 2007 request includes the anticipated increase for cost of personnel issued materials.

Summary Justification and Explanation of Changes

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 15,957	$ 14,937	$ 15,353	$ 416

Travel funds cover the travel costs of Coast Guard employees, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 request includes the anticipated non-pay related inflation for travel expenses.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1	$ 1	$ 1	$ -

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Specifically, funding supports the shipment of military member's household goods in conjunction with Permanent Change of Station (PCS) moves.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 168	$ 157	$ 162	$ 5

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Funding includes charges associated with publication of Coast Guard training manuals, operational instructions, reports and other Coast Guard directives. The FY 2007 request includes the anticipated non-pay related inflation for printing services.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2,906	$ 2,720	$ 2,796	$ 76

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions. The FY 2007 request includes anticipated non-pay related inflation to procure these supplies and services.

Purchases of goods & svcs. from gov't accounts

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2	$ 2	$ 2	$ -

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. Specifically, funds support the purchase of goods and services from other government agencies including interagency service requirements (e.g. MIPR).

Operation & maintenance of facilities

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 35	$ 34	$ 34	$ -

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. Specifically, funds support contracted janitorial, landscaping, security, and environmental services (e.g. hazardous materials disposal) associated with the operation of Coast Guard facilities.

Supplies and materials

2,005 Actual	2,006 Revised Enacted	2,007 Request	2006 - 2007 Change
$ 135	$ 954	$ 981	$ 27

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies.

Equipment

2,005 Actual	2,006 Revised Enacted	2,007 Request	2006 - 2007 Change
$ 11	$ 11	$ 11	$ -

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska.

Insurance claims and indemnity

2,005 Actual	2,006 Revised Enacted	2,007 Request	2006 - 2007 Change
$ 2	$ 2	$ 2	$ -

This covers indemnities for fire, flooding and casualty.

I. Schedule of Working Capital Fund

Not Applicable

1685

Department of Homeland Security

United States Coast Guard

Acquisition, Construction and Improvements

Fiscal Year 2007

Congressional Justification

25756A

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U. S. Coast Guard

Acquisition, Construction and Improvements

I. Appropriation Overview

A. Mission Statement for Acquisition, Construction and Improvements:

The acquisition, construction and improvements appropriation will finance the acquisition of new capital assets, construction of new facilities and physical improvements to existing facilities and assets. The appropriation covers Coast Guard-owned and operated vessels, shore facilities and other equipment such as computer systems, as well as the personnel needed to manage acquisition activities.

B. Budget Activities:

Projects supported with this funding, once completed, will serve in executing our traditional missions that include Search and Rescue (SAR), Marine Safety, Aids to Navigation (AtoN), Ice Operations, Marine Environmental Protection (MEP), Living Marine Resources (LMR), Drug Interdiction, Migrant Interdiction, Other Law Enforcement, Ports, Waterways and Coastal Security (PWCS) and Defense Readiness.

C. Budget Request Summary:

The Coast Guard requests 728 positions, 652 FTE and $1,169,537 in FY 2007 to support the following projects:

- Deepwater ($934 million),
- Response Boat-Medium ($25 million),
- Rescue 21 ($40 million),
- Nationwide Automatic Identification System ($11 million),
- National Capital Region Air Defense ($49 million),
- Maritime Security Response Team ($1.7 million),
- High Frequency recapitalization ($2.5 million),
- Shore facilities and aids to navigation ($26 million,) and
- AC&I personnel ($81 million).

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
I. Vessels and Critical Infrastructure	-	$ 20,640	-	$ 96,160	-	$ 24,750	-	$ (71,410)	-	$ (71,410)	-	$ -
II. Integrated Deepwater Systems	-	$ 757,181	-	$ 923,769	-	$ 934,431	-	$ 10,662	-	$ 10,662	-	$ -
III. Other Equipment	-	$ 165,116	-	$ 64,350	-	$ 103,506	-	$ 39,156	-	$ 39,156	-	$ -
IV. Aircraft		$ 38,144		$ 19,800		$ -	-	$ (19,800)	-	$ (19,800)		$ -
V. Shore Facilities and Aids to Navigation	-	$ 5,225	-	$ 31,383	-	$ 25,850	-	$ (5,533)	-	$ (5,533)	-	$ -
VI. Personnel and Related Support	616	$ 73,000	616	$ 72,765	652	$ 81,000	36	$ 8,235	36	$ 8,235	-	$ -
Emergency Hurricane/GWOT/Tsunami Relief Supplemental				$ 74,500				$ (74,500)				$ (74,500)
Subtotal, Enacted Appropriations and Budget Estimates	**616**	**$ 1,059,306**	**616**	**$ 1,282,727**	**652**	**$ 1,169,537**	**36**	**$ (113,190)**	**36**	**$ (38,690)**	**-**	**$ (74,500)**
Adjustments for Other Funding Sources:												
Department of Defense Transfer, 97-0141 (Function 054)		[34,000]		$ -		$ -		$ -		$ -		$ -
Emergency Hurricane/GWOT/Tsunami Relief Supplemental		[49,200]		$ -		$ -		$ -		$ -		$ -
Rescission pursuant to P. L. 109-90				$ (84,913)								
Net, Enacted Appropriations & Budget Estimates	**616**	**$ 1,059,306**	**616**	**$ 1,197,814**	**652**	**$ 1,169,537**	**36**	**$ (28,277)**	**36**	**$ (28,277)**	**-**	**$ - **

NOTE: FY 2005 numbers display supplemental funding ($34M DOD transfer and $49.2M hurricane supplemental) as a non-add, as the assumption is that all supplemental funding has been obligated and is reflected in the PPA spread.

III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Program Performance Justification
(Dollars in thousands)

PPA I: VESSELS AND CRITICAL INFRASTRUCTURE PROJECTS

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$20,640***
2006 Revised Enacted	...	...	**96,160**
2007 Request	...	...	**24,750**
Total Change 2006-2007	...	...	(71,410)

The Coast Guard requests $24.8 million for this activity. This is a decrease of $71.4 million over FY 2006.

PROGRAM DESCRIPTION:

Primary operational resource supported: Surface assets, Command and Control
Requested funding represents the initial acquisition, development or construction of any vessel costing more than $l million per vessel or $8 million per project or cutter class/boat class. It also represents the improvement, renovation, upgrade, replacement or alteration of any vessel which exceeds $1 million per vessel and $8 million per project or cutter class/boat class, or costing more than $10 million regardless of the cost per vessel. Our primary project for this funding in FY 2007 is the Response Boat-Medium acquisition.

PPA II: INTEGRATED DEEPWATER SYSTEMS

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$757,181***
2006 Revised Enacted	...	...	**923,769**
2007 Request	...	...	**934,431**
Total Change 2006-2007	...	...	10,662

The Coast Guard requests $934.4 million for this activity. This is an increase of $10.7 million over FY 2006.

PROGRAM DESCRIPTION:

Primary operational resource supported: All

* FY 2005 actual figures do not include obligations from projects that are no longer reflected in the Coast Guard's Capital Investment Plan, such as the Great Lakes Ice Breaker (GLIB) project.

To continue to meet America's 21st century maritime threats and challenges, the Coast Guard initiated the Integrated Deepwater System (IDS) Program, the largest and most innovative acquisition in the Coast Guard's history. At full implementation, the Integrated Deepwater System comprises three classes of new cutters and their associated small boats, upgraded legacy cutters, a new fixed-wing manned aircraft fleet, a combination of new and upgraded helicopters, and both cutter-based and land-based unmanned air vehicles. All of these highly capable assets will be linked with state-of-the-art Command, Control, Communications and Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems, and will be supported by an integrated logistics regime. Given its importance, it comprises its own PPA sub-categories.

- Aircraft
- Surface
- Other

PPA III: OTHER EQUIPMENT

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$165,116***
2006 Revised Enacted	...	...	**64,350**
2007 Request	...	...	**103,506**
Total Change 2006-2007	...	...	39,156

The Coast Guard requests $103.5 million for this activity. This is an increase of $39.2 million over FY 2006.

PROGRAM DESCRIPTION:

Primary operational resource supported: Command and Control, Intelligence
Funding requested will procure hardware &/or software. This includes the initial acquisition, development or construction of any system, software or equipment costing over $1 million per usable segment or item, or $10 million total project cost; it also includes the improvement, renovation, upgrade, replacement or alteration of equipment or hardware which exceeds $1 million per usable segment or item or $10 million total project cost, regardless of the per site cost.

PPA IV: AIRCRAFT

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$38,144***
2006 Revised Enacted	...	...	**19,800**
2007 Request	...	...	**0**
Total Change 2006-2007	...	...	(19,800)

* FY 2005 actual figures do not include obligations from projects that are no longer reflected in the Coast Guard's Capital Investment Plan, such as the Great Lakes Ice Breaker (GLIB) project.

The Coast Guard does not request funding for this activity. Aircraft projects, beginning in FY 2007, are reflected under the Integrated Deepwater Systems PPA.

PPA V: SHORE FACILITIES AND AIDS TO NAVIGATION

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$5,225***
2006 Revised Enacted	...	...	**31,383**
2007 Request	...	...	**25,850**
Total Change 2006-2007	...	...	(5,533)

The Coast Guard requests $25.9 million for this activity. This is a decrease of $5.5 million over FY 2006.

PROGRAM DESCRIPTION:

Primary operational resource supported: Shore units
Requested funding supports civil engineering work activities, including:

- Maintenance, Repair, and In-Kind Replacements- activities needed to keep a building or infrastructure operational, specifically focusing on physical continuity.
- Alterations - Work required to adjust interior arrangements or other physical characteristics of an existing facility/structure, so that it may be more effectively adapted to or utilized for a new or changed use.
- Improvements - Activities that enhance the mission (and functional) capabilities of a building or infrastructure.
- Code Compliance - Activities solely required to bring a facility back into code, including life safety, fire, seismic, health and safety, occupational health and safety, and environmental codes and environmental and energy regulations.
- Demolition - Demolition activities, partial demolition activities in preparation for other categories of work, and work related to divestiture activities.

PPA VI: PERSONNEL AND RELATED SUPPORT

	Perm Pos	FTE	Amount
2005 Actual	**696**	**616**	**$73,000***
2006 Revised Enacted	**699**	**616**	**72,765**
2007 Request	**728**	**652**	**81,000**
Total Change 2006-2007	29	36	8,235

The Coast Guard requests $81 million for this activity. This is an increase of $8.2 million and 36 FTE over FY 2006.

* FY 2005 actual figures do not include obligations from projects that are no longer reflected in the Coast Guard's Capital Investment Plan, such as the Great Lakes Ice Breaker (GLIB) project.

PROGRAM DESCRIPTION:

Primary operational resource supported: All
AC&I has a specific annual appropriation to fund "personnel compensation and benefits and related costs." Annual AC&I personnel compensation appropriation, rather than the multi-year project funds, must be used to fund all AC&I related personnel costs.

* FY 2005 actual figures do not include obligations from projects that are no longer reflected in the Coast Guard's Capital Investment Plan, such as the Great Lakes Ice Breaker (GLIB) project.

IV. Program Justification of Changes

Department of Homeland Security
U. S. Coast Guard
Acquisition Construction and Improvements
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Acquisition, Construction and Improvements

Strategic Goal(s) & Objective(s): 1.4, 2.1, 2.2, 2.3, 2.4, 2.5, 3.1, 3.2, 3.4, 3.5, 3.6, 4.1, 4.2, 4.3, 5.2, 6.3, 6.4
PPA: Applies to all PPAs

Program Increase: Positions 29 FTE 36 Dollars $34,563

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							699	616	$1,208,227
Program Increase							29	36	(38,690)
Total Request	**696**	**616**	**$1,080,335**	**699**	**616**	**$1,282,727**	**728**	**652**	**$1,169,537**

Description of Item
Please see the following budget displays for detailed information: Summary of Requirements and Capital Investments and Construction Initiative Listing.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Acquisition, Construction, and Improvements
Appropriation Language

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law; [$1,141,800,000] ***$1,169,537,000***, of which [$20,000,000] ***$19,800,000*** shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Pollution Act of 1990 (33 U.S.C. 2712(a)(5)); of which [$18,500,000] ***$24,750,000*** shall be available until September 30, [2010] ***2011***, to acquire, repair, renovate, or improve vessels, small boats, and related equipment; [of which $20,000,000 shall be available until September 30, 2010, to increase aviation capability]; of which [$65,000,000] ***$103,506,000*** shall be available until September 30, [2008] ***2009***, for other equipment; of which [$31,700,000] ***$25,850,000*** shall be available until September 30, [2008] ***2009***, for shore facilities and aids to navigation facilities; of which [$73,500,000] ***$81,000,000*** shall be available for personnel compensation and benefits and related costs; and of which [$933,100,000] ***$934,431,000*** shall be available until September 30, [2010] ***2011***, for the Integrated Deepwater Systems program: Provided, That the Commandant of the Coast Guard is authorized to dispose of surplus real property, by sale or lease, and the proceeds shall be credited to this appropriation as offsetting collections and shall be available until September 30, [2007] ***2008***: [Provided further, That the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives, in conjunction with the President's fiscal year 2007 budget, a review of the Revised Deepwater Implementation Plan that identifies any changes to the plan for the fiscal year; an annual performance comparison of Deepwater assets to pre-Deepwater legacy assets; a status report of legacy assets; a detailed explanation of how the costs of legacy assets are being accounted for within the Deepwater program; an explanation of why many assets that are elements of the Integrated Deepwater System are not accounted for within the Deepwater appropriation under this heading; a description of the competitive process conducted in all contracts and subcontracts exceeding $5,000,000 within the Deepwater program; a description of how the Coast Guard is planning for the human resource needs of Deepwater assets; and the earned value management system gold card data for each Deepwater asset: Provided further, That the Secretary shall submit to the Committees on Appropriations of the Senate and the House of Representatives a comprehensive review of the Revised Deepwater Implementation Plan every five years, beginning in fiscal year 2011, that includes a complete projection of the acquisition costs and schedule for the duration of the plan through fiscal year 2027: Provided further, That the Secretary shall annually submit to the Committees on Appropriations of the Senate and the House of Representatives, at the time that the President's budget is submitted under section 1105(a) of title 31, a future-years capital investment plan for the Coast Guard that identifies for each capital budget line item-- (1) the proposed appropriation included in that

budget; (2) the total estimated cost of completion; (3) projected funding levels for each fiscal year for the next five fiscal years or until project completion, whichever is earlier; (4) an estimated completion date at the projected funding levels; and (5) changes, if any, in the total estimated cost of completion or estimated completion date from previous future-years capital investment plans submitted to the Committees on Appropriations of the Senate and the House of Representatives: Provided further, That the Secretary shall ensure that amounts specified in the future-years capital investment plan are consistent to the maximum extent practicable with proposed appropriations necessary to support the programs, projects, and activities of the Coast Guard in the President's budget as submitted under section 1105(a) of title 31 for that fiscal year: Provided further, That any inconsistencies between the capital investment plan and proposed appropriations shall be identified and justified.] *(Department of Homeland Security Appropriations Act, 2006.)*

[SEC. 527. (a) From the unexpended balances of the United States Coast Guard "Acquisition, Construction, and Improvements" accounts specifically identified in the Joint Explanatory Statement (House Report 108-10) accompanying Public Law 108-90 for the Fast Response Cutter/110-123 foot patrol boat conversion, and in the Joint Explanatory Statement (House 108-774) accompanying Public Law 108-334 for the Integrated Deepwater System patrol boats 110-123 foot conversion, $78,630,689 are rescinded.

(b) For necessary expenses of the United States Coast Guard for "Acquisition, Construction, and Improvements", an additional $78,630,689, to remain available until September 30, 2009, for the service life extension program of the current 110-foot Island Class patrol boat fleet and accelerated design and production of the Fast Response Cutter.] *(Department of Homeland Security Appropriations Act, 2005.)*

[SEC. 544. Of funds made available for the United States Coast Guard in previous appropriations Acts, $6,369,118 are rescinded, as follows: (1) $499,489 provided for ''Coast Guard, Acquisition, Construction, and Improvements'' in Public Law 105–277; (2) $87,097 provided for ''Coast Guard, Operating Expenses'' in Public Law 105–277; (3) $269,217 provided for ''Coast Guard, Acquisition, Construction, and Improvements'' in Public Law 107–87; (4) $8,315 provided for ''Coast Guard, Acquisition, Construction, and Improvements'' in Public Law 106–69; and (5) $5,505,000 for ''Coast Guard, Acquisition, Construction, and Improvements'' in Public Law 108– 90.] *(Department of Homeland Security Appropriations Act, 2005.)*

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Acquisition Construction and Improvements
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**696**	**616**	**1,080,335**
2006 Revised Enacted	**699**	**616**	**1,282,727**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	-	-	-
2007 Pay Raise	-	-	-
Non-Pay Inflation	-	-	-
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	-
Decreases			
Termination of one-time costs	-	-	(74,500)
Total Decreases	-	-	(74,500)
Total Adjustments-to-Base	-	-	**(74,500)**
2007 Current Services	**699**	**616**	**1,208,227**
Program Changes			
Program Increases/(Decreases)			
Vessels and Critical Infrastructure	-	-	(71,410)
Integrated Deepwater Systems	-	-	10,662
Other Equipment	-	-	39,156
Aircraft			(19,800)
Shore Facilities and Aids to Navigation	-	-	(5,533)
Personnel and Related Support	29	36	8,235
Total Program Changes	**29**	**36**	**(38,690)**
2007 Request	**728**	**652**	**1,169,537**
2006 to 2007 Total Change	**29**	**36**	**(113,190)**

C jmary of Requirements

FY07-11 Five Year Capital Investment Plan
Acquisition, Construction & Improvement
(Thousands of dollars, budget year dollars)

	FY 2006 Revised Enacted	FY 2007 President's Budget	FY 2008	FY 2009	FY 2010	FY 2011	Total Project Cost	Estimated Completion Date	Changes in Cost/Schedule
Vessels and Critical Infrastructure Projects	$96,160	$24,750	$30,435	$99,000	$98,300	$115,000			
Response Boat - Medium (RB M)	$18,315	$24,750	$25,435	$64,000	$63,300	$65,000	$491,000	2014	
Integrated ATON Platform Modernization Project	$0	$0	$5,000	$35,000	$35,000	$50,000	$550,000	2017	
Service Life Extension Program - Current 110 Island Class Patrol Boat	$77,845								
Integrated Deepwater Systems	$923,769	$934,431	$1,001,800	$1,021,100	$1,039,400	$1,001,300	$24,000,000	2026	
Aircraft	$386,399	$248,886	$284,200	$371,700	$378,900	$344,500			
Maritime Patrol Aircraft (MPA)	$67,330	$77,616	$69,700	$159,900	$162,400	$165,800			
Unmanned Aerial Vehicle (UAV)	$39,600	$4,950	$25,500	$23,200	$21,800	$21,600			
HH-60 Conversion Projects	$16,630	$49,302	$90,300	$69,900	$77,900	$50,100			
HC-130H Conversion/Sustainment Projects	$10,800	$53,955	$19,400	$80,500	$68,500	$70,000			
HH-65 Conversion/Sustainment Projects	$131,769	$125,173	$44,600	$39,200	$48,300	$37,000			
Armed Helicopter Equipment (Airborne Use of Force) - NOTE 1	$9,900	$25,240	$34,700	$19,900	$0	$0			
HC-130J Fleet Introduction	$0	$4,229	$0	$0	$0	$0			
Ground Surveillance Aircraft	$9,900	$0	$0	$0	$0	$0			
Surface	$504,108	$498,366	$540,600	$479,900	$485,100	$444,000			
National Security Cutter (NSC)	$364,350	$417,780	$402,600	$330,600	$332,800	$286,900			
Offshore Patrol Cutter (OPC)	$106,920	$0	$0	$0	$0	$0			
Fast Response Cutter (FRC)	$7,425	$41,580	$89,100	$98,100	$101,200	$140,500			
IDS Small Boats	$695	$1,188	$2,100	$3,400	$2,100	$2,600			
Medium Endurance Cutter Sustainment	$24,750	$37,818	$46,800	$47,800	$49,000	$14,000			
Other	$133,443	$187,179	$177,000	$165,500	$175,400	$141,100			
Technology Obsolescence Prevention	$0	$0	$0	$3,500	$1,100	$1,100			
C4ISR	$43,560	$60,786	$60,300	$46,500	$53,600	$88,700			
Logistics	$18,612	$42,273	$11,600	$11,900	$12,100	$12,400			
Systems Engineering and Integration	$16,630	$15,145	$35,800	$36,400	$37,100	$37,800			
Government Program Management	$34,650	$48,975	$69,300	$71,200	$71,500	$72,800			
Other Equipment	$64,350	$103,506	$166,738	$174,600	$177,900	$134,700			
Nationwide Automatic Identification System (NAIS)	$23,760	$11,228	$30,500	$29,100	$30,900	$21,700	$196,200	2011	
Rescue 21	$40,590	$35,600	$86,810	$80,000	$80,000	$20,000	$770,000	2011	
High Frequency (HF) Recapitalization	$0	$2,475	$5,525	$2,500	$10,000	$0	$24,500	2010	
Defense Messaging System			$18,000	$50,000	$50,000	$93,000	$400,000	2013	
National Capital Region Air Defense		$48,510	$18,000		$7,000		$33,000	2011	
Maritime Security Response Team (MSRT)		$1,683	$13,900	$5,000					
Shore Facilities and Aids to Navigation	$31,383	$25,850	$30,317	$30,000	$30,000	$30,000	Ongoing	Ongoing	Not Applicable
Survey & Design Shore Operational & Support Projects	$0	$2,600					Ongoing	Ongoing	Not Applicable
Minor AC&I Shore Construction Projects	$0	$2,850							
Coast Guard Housing - Various Locations	$14,850	$5,500							
ISC Seattle Group, Sector Admin Ops Facility Phase II	$9,900	$2,000							
Chase Hill Road Construction	$2,772	$2,000							
Sand Bay Completion	$3,861	$1,100							
Group Long Island Sound Completion		$1,000					Ongoing	Ongoing	Not Applicable
Rebuild Station & WaterBoat at Base Galveston Phase I		$5,200					Ongoing	Ongoing	Not Applicable
Waterways ATON Infrastructure		$3,000					Ongoing	Ongoing	Not Applicable
Personnel and Related Support	$72,765	$81,000	$80,735	$82,000	$84,000	$86,000			
Direct Personnel Costs	$72,270	$80,500	$80,230	$81,500	$83,500	$85,500			
AC&I Core	$495	$500	$505	$500	$500	$500			
Kearsarge Spudnosed	$74,500								
Hercules pursuant to P.L. 109-90	-$84,933								
TOTAL	$1,397,814	$1,169,537	$1,310,025	$1,486,700	$1,429,600	$1,367,000			

NOTE 1 - Airborne Use of Force (AUF) was categorized separately from Deepwater in FY06; however, AUF is integrated into the Deepwater plan beginning in FY07.

D. Summary of Reimbursable Resources

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Summary of Reimbursable Resources
(Dollars in Thousands)

	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
Collections by Source	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
Agency 1 Department of Homeland Security	-	-	1,370	-	-	1,000	-	-	1,000	-	-	-
Agency 2 Secret Service	-	-	614	-	-	1,000	-	-	1,000	-	-	-
Agency 3 Corp of Engineers	-	-	40	-	-	2,000	-	-	-	-	-	(2,000)
Agency 4 Department of Justice	-	-	5,278	-	-	3,000	-	-	-	-	-	(3,000)
Agency 5 Federal Railroad Administration	-	-	2,179	-	-	2,000	-	-	5,000	-	-	3,000
Agency 6 Federal Aviation Administration	-	-	11,547	-	-	16,000	-	-	-	-	-	(16,000)
Agency 7 Department of Navy			-	-	-	48,000	-	-	-	-	-	(48,000)
Other Anticipated Reimbursable General	-	-	-	-	-	42,000	-	-	2,000	-	-	(40,000)
Total Budgetary Resources			**21,028**			**115,000**			**9,000**			**(106,000)**

D. Summary of Reimbursable Resources

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Summary of Reimbursable Resources
(Dollars in Thousands)

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease			
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	
Shore Program													
Renovation of Plum Island	-	-	1,370	-	-	1,000	-	-	1,000	-	-	-	1
Wilkie Building Project	-	-	614	-	-	1,000	-	-	1,000	-	-	-	2
New Orleans Relocation	-	-	40	-	-	2,000	-	-	-	-	-	(2,000)	3
Seahawk Project	-	-	5,278	-	-	3,000	-	-	-	-	-	(3,000)	4
Other Equipment													
Nationwide Differential Global Positioning System	-	-	2,179	-	-	2,000	-	-	5,000	-	-	3,000	5
LORAN-C Upgrades	-	-	11,547	-	-	16,000	-	-	-	-	-	(16,000)	6
Ship Submarine Ballistic Nuclear Power (SSBN)	-	-	-	-	-	48,000	-	-	-	-	-	(48,000)	
Other Anticipated Reimbursable General	-	-	-	-	-	42,000	-	-	2,000	-	-	(40,000)	
Total Obligations			**21,028**			**115,000**			**9,000**			**-106,000**	

Explanation for Differences between FY06 and FY07:

1 - Modifications to project.
2 - Project will be completed in FY 2006.
3 - Service will not be required from COE.
4 - Project completed in FY05.
5 - Ongoing project with FRA.
6 - Decommisioning LORAN-C

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction & Improvements
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	23,001	25,331	27,397	2,066
11.3	Other than full-time permanent	927	1,021	1,104	83
11.5	Other personnel compensation	242	266	287	21
11.7	Military personnel	26,692	25,714	27,454	1,740
11.8	Special service pay	50	55	59	4
12.1	Civilian personnel benefits	5,812	6,401	6,923	522
12.2	Military personnel benefits	2,238	2,156	2,302	146
13.0	Benefits-former	134	130	139	9
	Total, Personnel Comp. & Benefits	**$ 59,096**	**$ 61,074**	**$ 65,665**	**$ 4,591**
Other Objects Classes:					
21.0	Travel	9,865	14,203	12,714	(1,489)
22.0	Transportation of things	922	1,327	1,188	(139)
23.1	GSA rent	-	-	-	-
23.2	Other rent	1,993	2,869	2,569	(300)
23.3	Communication, utilities, and misc charges	1,768	2,545	2,279	(266)
24.0	Printing and reproduction	15	22	19	(3)
25.1	Advisory and assistance services	622,590	895,504	802,377	(93,127)
25.2	Other services	257,437	370,636	331,778	(38,858)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	29,852	42,977	38,471	(4,506)
31.0	Equipment	26,597	38,292	34,278	(4,014)
32.0	Land and structures	49,171	70,792	63,370	(7,422)
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	**$ 1,000,210**	**$ 1,439,168**	**$ 1,289,043**	**$ (150,125)**
	Total Direct Obligations	**$ 1,059,306**	**$ 1,500,242**	**$ 1,354,708**	**$ (145,534)**
	Unobligated balance, start of year	(497,259)	(487,599)	(185,171)	
	Unobligated balance, end of year	487,599	185,171	-	
	Total Requirements	**$ 1,049,646**	**$ 1,197,814**	**$ 1,169,537**	
Note 1: Total direct obligations does not include advances and reimbursements					
Note 2: FY 2006 Total Requirements reflects revised enacted figure minus $84,913K rescission pursuant to P. L. 109-90					

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction, and Improvements - Military
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
O-10	-	-	-	-
O-9	-	-	-	-
O-8	2	2	2	-
O-7	-	-	-	-
O-6	19	18	18	-
O-5	33	33	40	7
O-4	75	75	80	5
O-3	84	84	89	5
O-2	5	5	5	-
O-1	-	-	-	-
CWO4	52	52	53	1
Cadet	-	-	-	-
E-10	-	-	-	-
E-9	3	3	3	-
E-8	9	9	9	-
E-7	39	39	39	-
E-6	21	21	21	-
E-5	7	8	8	-
E-4	5	5	5	-
E-3	-	-	-	-
E-2	-	-	-	-
E-1	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	354	354	372	18
Unfilled Positions EOY	28	28	28	-
Total Perm. Employment EOY	326	326	344	18
FTE*	326	326	344	18
Headquarters	164	164	175	11
U.S. Field	190	190	197	7
Foreign Field	-	-	-	-
Total Permanent Positions	354	354	372	18
Position Data:				
Average Salary, Officer Positions**	$95,260.13	$98,539.06	$102,067.23	$3,528.17
Average Grade, Officer Positions	3.61	3.60	3.62	0.03
Average Salary, Enlisted Positions**	$61,123.29	$63,147.94	$65,148.04	$2,000.09
Average Grade, Enlisted Positions	6.58	6.56	6.56	0.00

*The Coast Guard manages the military workforce by end strength, not FTE. The military FTE represented in these numbers are monthly end strengths averaged over the year.

**The military pay and allowances averages include the costs associated with all pays and allowances paid to a particular paygrade, including: basic pay, Basic Allowance for Housing, Basic Allowance for Subsistance, Federal Insurance Contributions Act, Incentive/Special pays, clothing allowances, Cost-of-Living Allowance. and Selective Re-enlistmet Bonus payments. Officer includes Chief Warrant Officers, Cadets and Officer Candidates.

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction, and Improvements - Civilian
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
Total, SES	-	-	-	-
Total, EX	-	-	-	-
GS-15	23	23	24	1
GS-14	88	88	94	6
GS-13	142	145	149	4
GS-12	51	51	51	-
GS-11	13	13	13	-
GS-10	2	2	2	-
GS-9	4	4	4	-
GS-8	9	9	9	-
GS-7	4	4	4	-
GS-6	4	4	4	-
GS-5	2	2	2	-
GS-4	-	-	-	-
GS-3	-	-	-	-
GS-2	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	342	345	356	11
Unfilled Positions EOY	53	54	54	-
Total Perm. Employment (Filled Positions) EOY	289	291	302	11
FTE	290	290	308	18
Headquarters	218	218	218	-
U.S Field	124	127	138	11
Foreign Field	-	-	-	-
Total Permanent Positions	342	345	356	11
Position Data:				
Average Personnel Costs, ES Positions	n/a	n/a	n/a	n/a
Average Personnel Costs, GS Positions	$109,176.02	$112,311.30	$115,564.33	$ 3,253
Average Grade, GS Positions	12.77	12.77	12.80	0.03

The average personnel costs shown above include basic/locality pay, lump sum payments, awards, overtime, benefits such as retirement, health care and life insurance, and other compensation such as holiday, Sunday, hazardous duty, reemployment annuitant and severance pays, night differential, non foreign Cost-of-Living Allowance, premium compensation for firefighters. Civilian FTP is presented as a count of full time positions, vice full time employees.

G. Capital Investment and Construction Initiative Listing

FY 2007 Capital Investment Budget Sheets
U. S. Coast Guard Line Item Summary
(Dollars in thousands)

PROJECT		C-STAGE REQUEST	PAGE NUMBERS
I.	**VESSELS & CRITICAL INFRASTRUCTURE**		
1.	Response Boat - Medium (RB-M)	24,750	20-23
	SUBTOTAL - VESSELS	**24,750**	
II.	**DEEPWATER NEW ASSET ACQUISITION PROJECT**		
A.	**Aircraft**		
1.	Maritime Patrol Aircraft (MPA)	77,616	24-29
2.	Vertical Take-Off and Landing (VTOL) Unmanned Air Vehicle (UAV)	4,950	30-33
3.	HH-60 Conversion Projects	49,302	34-39
4.	HC-130H Conversion Projects	53,955	40-44
5.	HH-65 Conversion Projects	32,373	45-49
6.	Armed Helo for Homeland Security (AUF)	25,740	50-53
7.	HC-130J Fleet Introduction	4,950	54-59
B.	**Surface**		
1.	National Security Cutter (NSC)	417,780	60-65
2.	Fast Response Cutter (FRC)	41,580	66-71
3.	IDS Small Boats	1,188	72-74
4.	Medium Endurance Cutter Sustainment	37,818	75-77
C.	**Other**		
1.	C4ISR	60,786	78-85
2.	Deepwater Logistics	42,273	86-92
3.	Systems Engineering & Integration	35,145	93-96
4.	Government Program Management	48,975	97-101
	SUBTOTAL - DEEPWATER PROJECT	**934,431**	
III.	**OTHER EQUIPMENT**		
1.	Nationwide Automatic Identification System (NAIS)	11,238	102-105
2.	Rescue 21	39,600	106-109
3.	High Frequency (HF) Recapitalization	2,475	110-112
4.	National Capital Region Air Defense (NCRAD) - AC&I	48,510	113-115
5.	Counter-Terrorism (CT) Training Infrastructure - Shoothouse	1,683	116-118
	SUBTOTAL - OTHER EQUIPMENT	**103,506**	

G. Capital Investment and Construction Initiative Listing

FY 2007 Capital Investment Budget Sheets
U. S. Coast Guard Line Item Summary
(Dollars in thousands)

PROJECT	C-STAGE REQUEST	PAGE NUMBERS
IV. SHORE FACILITIES & AIDS TO NAVIGATION		
A. **Shore - General**		
1. Survey & Design	2,600	119-121
2. Minor AC&I Shore Construction Projects	2,850	122-123
3. Station Neah Bay Breakwater Completion	1,100	124-125
B. **Shore - Groups/Bases/Stations/MSOs**		
1. ISC Seattle and Sector Operations Facility, Phase II	2,600	126-127
2. Rebuild Station & Waterfront at Base Galveston, Phase I	5,200	128-129
3. Sector Long Island Sound Multi Purpose Building Completion	1,000	130-132
C. **Coast Guard Housing - Various Locations**		
1. Coast Guard Housing - Cordova, AK	5,500	133-135
2. Chase Hall Barracks Phase I - (Annex E) Completion	2,000	136-138
D. **Aids To Navigation Facilities**		
1. Waterways AtoN Infrastructure	3,000	139-141
SUBTOTAL - SHORE FACILITIES & AIDS TO NAVIGATION FACILITIE	**25,850**	
V. PERSONNEL & RELATED SUPPORT		
1. AC&I Direct Personnel Costs	80,500	142-143
2. AC&I Core	500	144-145
SUBTOTAL - PERSONNEL & RELATED SUPPORT	**81,000**	
SUMMARY CAPITAL INVESTMENTS		
TOTAL NON-IT INITIATIVES (all projects over $5 million)	**648,251**	
TOTAL IT INITIATIVES	**521,286**	
TOTAL REQUEST C-STAGE - FY 2007	**1,169,537**	

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

RESPONSE BOAT - MEDIUM (RB-M) **$24,750**

Project Description, Justification and Scope

The Response Boat - Medium (RB-M) project will procure 180 new small boats to recapitalize the aging 41-foot Utility Boats (UTB) and other large Non-Standard Boats (NSB) with assets more capable of meeting all of the Coast Guard's multi-mission operational requirements (e.g., Search and Rescue, including Recreational Boating Safety; Marine Environmental Protection; Living Marine Resources; Ports, Waterways, and Coastal Security; and Defense Readiness).

The legacy 41' UTB was built by the Coast Guard from 1973 to 1980 and is a key asset for multi-mission station-based Coast Guard response within the coastal zone. The 41' UTB entered service in 1973, replacing the 40' UTB that began service in 1951. Although designed specifically for Search and Rescue (SAR), the 41' UTBs have been employed as multi-mission assets. Now at the end of their service life, the 41' UTBs are experiencing rising maintenance costs and declining readiness levels resulting in loss of mission performance and effectiveness.

The Coast Guard mission has changed since the 41' UTB was built, and it has changed dramatically post 9/11. RB-M offers a number of opportunities for improvements over the existing fleet of 41' UTBs and non-standard boats in performance, crew efficiency and operational availability. Several program requirements, and much operational commander input, indicates a need for an RB-M that is substantially faster than the 41' UTB to support new Homeland Security operations (40+ knots vs. 26 knots). This will result in greater SAR mission effectiveness, and a more capable platform for Enforcement of Laws and Treaties (ELT), Ports, Waterways, and Coastal Security (PWCS), and Defense Operations missions. Integrated navigation and sensing systems, compliant with international radio-telephony standards made possible by technological advances in the past decade, means the RB-M can better identify search objects, further improving mission capability. Interoperability of the RB-M with Rescue-21 will greatly enhance the overall command and control, as well as crew safety, in the Coastal Zone. Crew efficiency can be greatly improved in a number of areas relating to human engineering. Providing secure seating for every crewman in an environmentally controlled cabin will allow longer missions with less fatigue. Providing self-fendering will allow more efficient boarding and towing operations. Placing emphasis on survivor water-recovery significantly improves crew efficiency. Reducing the amount of maintenance time will improve operational availability. Some of the methods for achieving this include: placing emphasis on the ability to quickly maintain and replace RB-M components; providing improved depot level maintenance support; and providing maintenance relief RB-Ms to substitute for station boats during major maintenance and casualty repairs. The RB-M is also being built to dimensions that will allow for commercial overland transportation to support deployed surge operations and technical data formatted to support the ongoing organizational logistics transformation.

The RB-M Acquisition Strategy is two phased: Phase 1 - full and open competitive Request For Proposal (RFP), selecting three contractors to build test boats, and then developmental testing and evaluation to validate RB-M requirements. Phase 2 - competitive RFP limited to the three Phase 1 contractors for production and logistics support for approximately 180 boats that meet the Coast Guard's multi-mission requirements.

The RFP for the test boats was released 09 August 2002 and contracts for three test boats were awarded 02 May 2003. The test boats were delivered 29 October 2003. The Coast Guard conducted extensive in-water developmental testing and evaluation after accepting the Phase 1 test boats. Personnel from Coast Guard Multi-

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

RESPONSE BOAT - MEDIUM (RB-M) **$24,750**

Mission Stations who operate and maintain small boats on a daily basis participated in the in-water testing. The Naval Surface Warfare Center Carderock Division, Combatant Craft Department, conducted the technical analysis of the data gathered from the acceptance, performance, mission effectiveness, and supportability testing. The evaluation results were used to validate government requirements and verify industry's ability to meet those requirements using non-developmental state of the market technology at a reasonable price. Select portions of the Phase 1 test results were also furnished to the Phase I contractors for additional research and development, and for use in developing their Phase 2 proposals.

The funding requested herein will allow the RB-M project to continue low rate initial production of approximately 6-10 hulls. Entry into full rate production will occur in future years, at a rate of approximately 30 boats annually, pending availability of funds.

Significant Changes

The project is currently in the Capability Development & Demonstration phase of the major acquisition process. The project received Key Decision Point Two approval from the DHS Investment Review Board on 17 March 2005, which gave the Coast Guard the authority to release the production contract Request For Proposal (RFP). The RFP includes options for Low Rate Initial Production (LRIP) and Full Production quantities. The RFP was released 26 April 2005 with non-price proposals received on 26 July 2005 and price proposals received on 16 August 2005. Source Selection Teams evaluated the initial proposals. The Contracting Officer was unable to award based on initial offers. The Contracting Officer established the competitive range, held discussions with the offerors, and requested Final Proposal Revisions (FPR). FPRs were received from the offerors on 22 December 2005. Evaluation of the offerors has since commenced, with the source selection process following evaluations. Contract award for the RB-M production contract is expected in the 2nd quarter FY2006.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Low Rate Initial Production			FY06:Q3	FY08:Q4	18,315
FY 2007					
Continue Low Rate Initial Production			FY06:Q3	FY08:Q4	24,750

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

RESPONSE BOAT - MEDIUM (RB-M) **$24,750**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	28,000	12,000	18,315	24,750	83,065
Obligation	12,903	2,140	38,584	25,857	79,484
Expenditure	10,693	1,435	10,287	38,844	61,259
Breakdown of Project Expenditures					
Construction / Acquisition	6,641		9,622	36,000	52,263
Project Management	1,896	1,435	665	1,844	5,840
Test & Evaluation	2,156			1,000	3,156

Cost Estimate Detail & Changes

Funding Requirement Description		FY 2007 Cost Estimate
Construction / Acquisition		
6-10 Response Boat - Medium (RB-M)	Primary Equipment/Systems/Outfit/Spares	22,170
Survey, Design & Engineering		
Survey, Design & Engineering		20
Project Management		
Project Management		2,532
Other Costs		
Test and Evaluation		28
	FY 2007 Cost Estimate Project Total:	**24,750**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
Unit level maintenance & consumables	430
Depot level maintenance (electronics)	80
Personnel	275
Follow-On Requirements Total:	**785**

Method of Performance

The RB-M Project Management Team will use an Earned Value Management System (EVMS) that meets American National Standards Institution (ANSI)/Electronic Industries Alliance (EIA) Standard 748 and has taken steps during this phase (Capability Development and Demonstration Phase) of the acquisition process to design an earned value management framework for effective project management and controls. The RB-M Project is leveraging the lessons learned from other agency acquisition programs and using those insights in managing the

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

RESPONSE BOAT - MEDIUM (RB-M) **$24,750**

cost, schedule, and technical performance during the project life cycle. The RB-M Project has hired Booz Allen Hamilton to provide earned value consulting expertise. Working with Booz Allen, the RB-M Project has developed ANSI 748-A compliant earned value requirements for the Phase 2 Request For Proposals which was released in the 3rd quarter FY 2005, and developed contract language identifying earned value deliverables such as Cost Performance Reports and Integrated Master Schedule(s).

The Project is also making preparations for the Integrated Baseline Review (IBR). The IBR will be conducted jointly with the successful contractor following Phase 2 award. The IBR is intended to provide a mutual understanding of risks inherent in contractors' performance plans and underlying management control systems and is an essential element of the RB-M Project's risk management approach.

Budget Allocation to Mission-Program

	Budget Allocation	
U.S. Coast Guard Mission-Program	**FY 2006**	**FY 2007**
Search and Rescue	4,071	5,500
Marine Safety	1,323	1,788
Aids to Navigation	253	344
Ice Operations	0	0
Marine Environmental Protection	101	137
Living Marine Resources	759	1,031
Drug Interdiction	281	344
Migrant Interdiction	253	344
Other Law Enforcement	0	0
Ports, Waterways & Coastal Security	11,173	15,125
Defense Readiness	101	137
Mission-Program Allocation Total:	**18,315**	**24,750**

Compliance with Public Laws, Regulations, Standards & Executive Orders

Programmatic Environmental Assessment (PEA) conducted.
Finding of No Significant Impact (FONSI), 18 March 2003.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

MARITIME PATROL AIRCRAFT (MPA) **$77,616**

Project Description, Justification and Scope

DESCRIPTION:

This funding request buys one MPA (#6), a CASA CN-235 300M, and necessary missionization and logistics equipment to outfit previously acquired MPAs (#4, #5, & #6) to "mission ready" status. Upon completion of the activity funded by this request, the Coast Guard will have sufficient operational aircraft for two CN-235 300M air stations.

CAPABILITY ACQUIRED/MAINTAINED:

The CASA CN-235 300M will be equipped with systems (communication, navigation and surveillance) that allow the aircraft to operate worldwide in civilian and military airspace in support of Coast Guard missions.

Purchased in compliance with the Buy American Act, the CASA CN-235 300M is the perfect complement for the Coast Guard fleet of long-range, heavy-lift HC-130 aircraft. Its high-efficiency turbo prop design allows both sustained surveillance and quick response speeds in the role of a maritime patrol aircraft. Once closer to targets of interest, the infrared/electro-optical sensor can further classify and identify these targets in virtually all weather conditions. These features allow the Coast Guard to monitor the movement of high interest vessels and quickly locate mariners in distress.

The state-of-the-art cockpit design provides pilots with superior situational awareness, reduced workload and safety, allowing them to concentrate more on the mission. Human factors engineering is also evident in the mission system pallet, which controls the tactical workstation. Systems operators can collect, compile and transfer vital information in real time to operational commanders on ship or on shore, hundreds of miles from the aircraft. Satellite radios provide clear and uninterrupted voice and data exchange. Advanced electronic support measures that can automatically detect friendly and unknown vessels; vessel "fingerprints" add another layer of defense to homeland security missions.

The CASA CN-235 300M also provides great mission flexibility. The hydraulically operated rear ramp allows for easy roll-on / roll-off provisions. This quick change feature allows ground crews to re-configure the aircraft from maritime patrol, to medical evacuation, to passenger or freight transport. Its medium size and high-lift wing design allow take-off and landing at short, unpaved landing areas, further enhancing the Coast Guard's ability to aid first responders in all types of national, state and local emergencies.

PERFORMANCE:

The CASA CN 235-300M is a transport and surveillance, fixed-wing aircraft that will be used to perform search and rescue, enforcement of laws and treaties (including illegal drug interdiction), marine environmental protection, military readiness and International Ice Patrol missions, as well as provide cargo and personnel transport. It can perform aerial delivery of search and rescue equipment such as rafts, pumps and flares, and it can be used as an On Scene Commander platform. As the medium range maritime patrol aircraft, the CASA delivers maritime domain awareness essential to achieving mission success in the following strategic goals and mission programs:

MARITIME SAFETY

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MARITIME PATROL AIRCRAFT (MPA) **$77,616**

- Search and Rescue – The CASA will be outfitted with a very capable C4ISR suite that includes a multi-mode surface and air search radar (MMR), Electro Optical (EO) device, and Infrared (IR) sensor to find and observe a wide range of targets. The aircraft will have a Line of Bearing indicator and Distress Call Monitoring on various distress frequencies. It will also be equipped with search windows and the crew will be outfitted with night vision devices to further enhance the crew's ability to detect, classify, and identify targets. With a rear cargo loading ramp that can be opened in-flight, the CASA is capable of aerial delivery of equipment (i.e. life rafts, communications kits, and de-watering pumps) and personnel. With an endurance of 10.7 hours, the CASA can also serve as On-Scene Commander, guiding and assisting rotary wing assets.

PROTECTION OF NATURAL RESOURCES

- Marine Environmental Protection (MEP) – Visual surveillance and the C4ISR suite on the CASA will be employed to monitor and map oil-covered water surfaces. The MMR can detect differences in backscatter between water and oil-covered water due to the dampening effects of oil on small wind-generated waves, while the EO/IR sensor can detect the small temperature variation between clear and oil-covered water. The common operational picture (COP) provides the capability to navigate to previously marked pollution areas and update them based on current C4ISR and visual indications.

- Living Marine Resources Enforcement (LMR) – The CASA will employ all sensors (MMR, EO, and IR) to provide surveillance of protected and/or closed offshore areas and ensure the protection of LMR. In addition to the sensors and communications capabilities already described, the CASA will also be quipped with an Automatic Identification System (AIS) to monitor surface vessels. The information will include the ship's name, position, course, and speed. The use of AIS will make the job of vessel identification easier, permitting the CASA to remain at altitude instead of having to make a low pass to visually identify the vessel.
and other hazardous chemical discharges.

MARITIME SECURITY

- Port, Waterways, and Coastal Security (PWCS) – The MPA will be able to conduct thorough and sustained surveillance of an assigned area of operations, and dispatch appropriate assets to investigate any threat to security. The MPA will conduct maritime interdiction operations, provide outer-harbor security, conduct search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. The protection of logistics in support of contingency operations is of the highest priority.

- Undocumented Migrant Interdiction Operations – The C4ISR suite, including the same sensors described in the Search and Rescue Mission will be employed to provide surveillance, detection, classification and identification in this mission-program. With multiple communications including Ultra High Frequency/Very High Frequency (UHF/VHF), High Frequency (HF), and International Maritime Satellite (INMARSAT), the CASA will be able to share important information with other operational units and command centers. This information will contribute to a Common Tactical Picture (CTP) and Common Operational Picture (COP) through a networked Command and Control (C2) system that provides for data sharing via INMARSAT.

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(dollars in thousands)

MARITIME PATROL AIRCRAFT (MPA) **$77,616**

- Illegal Drug Interdiction – The same sensors and communications equipment that will support migrant operations will also be utilized to support this mission-program. Through effective use of the CTP/COP, the CASA will be able to direct Coast Guard surface assets to intercept and prosecute suspect vessels.

- Other Law Enforcement (OLE) – The use of all sensors and communications equipment will be utilized for the OLE mission. Sharing information and data through the use of the C2 system and the CTP/COP will result in increased Maritime Domain Awareness.

NATIONAL DEFENSE – The CASA plays a minimal role in National Defense Missions but can support through surveillance and transport roles.
- Port Operations, Security, and Defense (POSD)
- General Defense Operations (GDO)
- Peacetime Military Engagement (PME)
- Maritime Intercept Operations (MIO)
- Environmental Defense Operations (EDO)

OTHER
- As a secondary mission, the CASA serves as a logistics transport aircraft.

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY		TOTAL
MPA 5 Mission System	1		$2,475
MPA 4/5 Management/Logistics Support	Lot		$2,475
MPA 4/5 Ground Support Equipment	Lot		$7,425
MPA 4/5 Logistics and Spare Parts	Lot		$24,156
MPA 6 Basic Airframe	1		$31,185
MPA 6 Mission System	1		$2,475
MPA 6 Management/Logistics Support	Lot		$990
MPA 6 Ground Support Equipment	Lot		$1,485
MPA 6 Logistics and Spare	Lot		$4,950
		Total	$77,616

FUNDING HISTORY

	FY		TOTAL
Conceptual Development/Design	2002		$12,538
Design, Long Lead Material, Construct/Missionize 2 Aircraft	2003		$141,443
Construct 1 Aircraft (not missionized)	2004		$24,853
Funds missionization, logistics and partial spare parts for the third MPA that was funded in FY2004	2005		$ 5,250
Construct 2 Aircraft (not missionized), Missionize 1 Aircraft	2006		$67,320
		Total	$183,454

U.S. COAST GUARD JUSTIFICATION
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(dollars in thousands)

MARITIME PATROL AIRCRAFT (MPA) **$77,616**

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC

Type of Contract:	Indefinite Delivery, Indefinite Quantity with award terms
Contract options:	5-year base with five, 5-year subsequent award term periods

SUBCONTRACTORS

Airframe:	EADS CASA CN-235 300M (Madrid, Spain)
Avionics:	Rockwell Collins (Cedar Rapids, IA)
Power Plant:	General Electric CT7-9C3 engine (Lynn, MA)
Propulsion:	Hamilton Sundstrand 14RF-37 (Windsor Locks, CT)
Sensors:	Telephonics APS-143V3 Multi-Mode RADAR (Farmingdale, NY)
	FLIR Systems Star Sapphire III (Portland, OR)
	EDO ALR-95 (Morgan Hill, CA)
	Mission System: Lockheed Martin (Egan, MN)
Communications:	Wulfsberg RT50000 (Prescott, AZ)
Miscellaneous:	CG Maritime Patrol Aircraft Conversion, ARSC (Elizabeth City, NC)
	Mission System Integration, ARINC (Annapolis, MD)
	Mission System Operator Training and Maintenance, ProSoft (Phoenix, AZ)

KEY EVENT	FY
MPA 1/2/3 Delivery	2007
MPA 1/2/3 Initial Operating Capability (IOC)	2008
MPA 1/2/3 Full Operating Capability (FOC)	2008
MPA 4/5 Delivery	2008
MPA 4/5 Initial Operating Capability (IOC)	2009
MPA 4/5 Full Operating Capability (FOC)	2009

Significant Changes
The $67.32M provided in FY 2006 funded two baseline aircraft. Therefore, $36.5M of the $77.6M will be used to buy a second mission system pallet, integrated logistics support and a partial amount of the required initial spares – all of which are necessary to make these aircraft "mission-ready." The remaining $41M will be used to buy one CN-235 300M Maritime Patrol Aircraft , MPA #6, in a configuration ready to fully execute Coast Guard missions. Upon completion of the activity funded by this request, the Coast Guard will have sufficient operational aircraft for two CN-235 300M air stations.

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(dollars in thousands)

MARITIME PATROL AIRCRAFT (MPA) **$77,616**

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Maritime Patrol Aircraft			FY02:Q2	FY15:Q4	67,320
FY 2007					
Maritime Patrol Aircraft			FY02:Q2	FY15:Q4	77,616

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	178,834	5,250	67,320	77,616	329,020
Obligation	178,834	5,250	66,640	74,480	325,204
Expenditure	171,680	4,410	49,640	19,600	245,330
Breakdown of Project Expenditures					
Construction / Acquisition	171,680	4,410	49,640	19,600	245,330

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Maritime Patrol Aircraft (project detail outlined above)	77,616
FY 2007 Cost Estimate Project Total:	**77,616**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
MPA Flight Hours	6,162
Follow-On Requirements Total:	**6,162**

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FY 2007 C-Stage
(dollars in thousands)

MARITIME PATROL AIRCRAFT (MPA) **$77,616**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	13,319	15,356
Marine Safety	30	35
Aids to Navigation	121	139
Ice Operations	0	0
Marine Environmental Protection	1,816	2,094
Living Marine Resources	11,503	13,262
Drug Interdiction	10,292	11,866
Migrant Interdiction	15,135	17,449
Other Law Enforcement	363	419
Ports, Waterways & Coastal Security	14,741	16,996
Defense Readiness	0	0
Mission-Program Allocation Total:	**67,320**	**77,616**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

VERTICAL TAKE-OFF AND LANDING (VTOL) UNMANNED AIR VEHICLE (UAV) $4,950

Project Description, Justification and Scope
DESCRIPTION:

Funding will be utilized to conduct VUAV testing. The VUAV project plan has been adjusted and one air vehicle, one Ship Control Station (SCS), and one Ground Control Station (GCS) can be procured with the funds appropriated in FY 2006. FY 2007 funds will test this equipment.

CAPABILITY ACQUIRED/MAINTAINED:
The Eagle Eye uses Bell Helicopter's tilt-rotor technology to provide a unique surveillance platform capable of landing and taking off from flight-deck equipped cutters. A single Pratt & Whitney turboshaft engine provides sufficient power to drive the twin tilt-rotors and carry a 300 pound payload. The sophisticated sensors integrated into the Eagle Eye include a Telephonics RDR 1700 surface search radar for long-range target detection and a FLIR Systems Star Safire Infrared/electro-optical turret that provides medium range, low light identification capabilities. Information gathered by these sensors can be transferred in real time back to the ship via encryption-capable VHF and UHF radios. Precise navigation is provided by an on-board global positioning system (GPS). The Eagle Eye can also use its airplane mode to provide extended patrols or a four-hour loiter time over a target if high interest. A Tactical Common Data Link (TCDL) provides positive, uninterrupted operator control, using a redundant flight control system, from take off to final approach back to the cutter. An automated landing system called UAV Common Automatic Recovery System (UCARS) completes the otherwise risky task of all-weather ship board landing Windows-based architecture allows an intuitive man-machine interface to conduct operator-designed flight profiles. A large display screen on the ship or ground control station provides a clear picture of where the Eagle is at all times.

PERFORMANCE:
The VUAV is discussed in terms of "force packages" under the National Security Cutter and Offshore Patrol Cutter and greatly facilitates achieving mission success in the Congressionally-mandated missions. On a typical mission the Eagle Eye will take of from the cutter's flight deck using the hover mode. It will transition to the airplane mode and climb to around 8000 feet to maintain a clean, line of sight radio link. The aircraft will patrol a designated area and gather useful intelligence that is processed on the cutter. The Eagle Eye will return to the cutter and touch down using the UCARS. The aircraft is easily stowed in the cutter's hangar until needed for another mission. The Eagle Eye is a truly transformational asset for the Coast Guard's Deepwater program. It delivers an intelligence, surveillance and reconnaissance capability for much less cost than manned aircraft. Its generous payload allows for added sensor capability to meet changing demands of global shipboard operations.

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
Testing	1	$4,950

FUNDING HISTORY

	FY	TOTAL
Conceptual Development/Design	2002	$15,098

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

VERTICAL TAKE-OFF AND LANDING (VTOL) UNMANNED AIR VEHICLE (UAV)		$4,950
Detailed Design and Long Lead Materials	2004	$49,705
Begin construction of VUAV 1 and VUAV 2	2005	$43,000
Project replanned (see below).		
Construction of VUAV 1, GCS and SCS	2006	$39,600
	Total	$147,403

The VUAV project plan has been adjusted, taking into account the funding available for this item based on the FY06 appropriation and other changes. The $39,600K provided in FY 2006 will procure one air vehicle, one ship control station (SCS), and one ground control station (GCS).

Funding available for this item based on the appropriation, rescissions, and other changes.

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC

Type of Contract:	Indefinite Delivery, Indefinite Quantity with award terms
Contract options:	5-year base with five, 5-year subsequent award term periods

SUBCONTRACTORS

Airframe:	Bell HV-911 Eagle Eye	Bell Helicopter, Fort Worth, TX
Propulsion:	PW 200/55 Engine	Pratt and Whitney, Quebec, Canada
Sensors:	RDR Search Radar	Telephonics, Farmingdale, NY
	Star Safire FLIR /EO	Flir Systems, Inc, Portland, OR
Communications:	Tactical Common Data Link	L3 Corp, Salt Lake City, UT
	UCARS	Sierra Nevada Corp., Sparks, NV

KEY EVENT	FY
Start Construction	2005
Initial Operating Capability (IOC) of VUAV	2009

Significant Changes
The VUAV project plan has been adjusted and one air vehicle, one SCS and one GCS can be procured with the funds appropriated in FY 2006. The $4.95 million requested in FY 2007 will be utilized to conduct some testing. The first air vehicle and ground control station are under construction.

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(dollars in thousands)

VERTICAL TAKE-OFF AND LANDING (VTOL) UNMANNED AIR VEHICLE (UAV) $4,950

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
VUAV			FY02:Q2	FY22:Q4	39,600
FY 2007					
VUAV			FY02:Q2	FY22:Q4	4,950

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	64,803	43,000	39,600	4,950	152,353
Obligation	64,803	43,000	39,200	4,500	151,503
Expenditure	61,554	30,530	24,800	1,250	118,134
Breakdown of Project Expenditures					
Construction / Acquisition	61,554	30,530	24,800	1,250	118,134

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
VUAV Testing	4,950
FY 2007 Cost Estimate Project Total:	**4,950**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

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FY 2007 C-Stage
(dollars in thousands)

VERTICAL TAKE-OFF AND LANDING (VTOL) UNMANNED AIR VEHICLE (UAV) **$4,950**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	9,168	979
Marine Safety	731	2
Aids to Navigation	960	9
Ice Operations	0	0
Marine Environmental Protection	605	134
Living Marine Resources	4,857	846
Drug Interdiction	11,209	757
Migrant Interdiction	5,039	1,113
Other Law Enforcement	1,630	26
Ports, Waterways & Coastal Security	5,223	1,084
Defense Readiness	178	0
Mission-Program Allocation Total:	**39,600**	**4,950**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

HH-60 CONVERSION PROJECTS **$49,302**

Project Description, Justification and Scope

DESCRIPTION:

1) HH-60T Avionics Upgrade — Funds replacement/modernization of obsolete HH-60T avionics to the improved HH-60T avionics suite, including aircraft electrical wiring and connectors to resolve and prevent discrepancies.

2) HH-60J Service Life Extension Program (SLEP) — Replaces electrical wiring /connectors not addressed during the avionics upgrade to maintain structural and electrical integrity.

3) HH-60J Radar/FLIR – Funds replacement of the HH-60J RDR-1300 monochrome weather-search radar with commercial off-the-shelf (COTS) equipment and upgrades of first generation Forward Looking Infrared (FLIR) equipment.

4.) HH-60J Engine Sustainment – Funds a targeted recapitalization of hot section components, addressing obsolescence/support issues associated with the Digital Electronic Control Unit. Initiates performance based logistics support to increase the mean-time-between engine failures, thereby increasing current-engine availability.

CAPABILITY ACQUIRED/MAINTAINED:

The Sikorsky HH-60J Jayhawk is the Coast Guard's medium range recovery helicopter. Two GE T700 engines, each rated at around 1600 shaft horsepower provide adequate power for a gross takeoff weight of 22000 pounds. The HH-60J is well suited for operations in challenging weather conditions. A flight management and navigation system provides the aircrews with global positioning system (GPS) navigation and some auto pilot capabilities. All-weather operation is rounded out with a weather radar and an effective anti-ice system that allows cold weather operation in the Northeast U.S. and Alaska. The aircraft is also equipped with night-vision compatible displays that allow aircrews to complete missions in almost zero light conditions.

The HH-60J is larger and more powerful than the Coast Guard's HH-65 helicopter. Because of the extended-capacity fuel tanks, the HH-60J is often called on for search and rescue missions far offshore. It is capable of flying up to 300 miles offshore, staying on scene for about 45 minutes, picking up six or more survivors, and then returning to shore with adequate fuel to divert to another landing area if required. All weather flight capabilities are provided by a basic flight management system.

The replacement of the HH-60J avionics system is currently underway. The Coast Guard's Integrated Deepwater System is developing the prototype upgraded model that will be called the HH-60T. Taking advantage of the U.S. Army and U.S. Navy Common Avionics Architecture System (CAAS) cockpit, the HH-60J will receive the same capabilities as U.S. Special Forces and presidential HH-60 aircraft. The CAAS cockpit will integrate state-of-the-market technology, upgrading flight management, navigation, and automatic pilot features. It will also increase operational availability and reduce maintenance and supply costs. This project also involves installation of an upgraded multi-mode radar and infrared/electro-optical sensors that will provide the HH-60J with a common command, control and surveillance system to integrate with the Deepwater Common Operating Picture (COP).

The HH-60J has provided support for National Special Security Events. The Coast Guard has used the technology developed by the U.S. Navy to install Airborne Use of Force capabilities in a few helicopters. The Deepwater program will provide the funding and management to configure the entire HH-60 fleet with weapons

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FY 2007 C-Stage
(dollars in thousands)

HH-60 CONVERSION PROJECTS **$49,302**

and small arms protection capabilities. Because of its power and size, the HH-60J is the ideal aircraft to provide law enforcement personnel with a platform to rapidly deploy to potentially hostile vessels by rappelling down ropes from the cabin.

PERFORMANCE:
There are 41 HH-60Js across the continental United Sates and Alaska providing support to the following Congressionally-mandated missions:

- Search and Rescue (SAR) – The HH-60J will be outfitted with a very capable C4ISR suite that includes a multi-mode surface and air search radar (MMR), Electro Optical (EO) device, and Infrared (IR) sensor to find and observe a wide range of targets. The aircraft will have a Line of Bearing indicator and Distress Call Monitoring on various distress frequencies. It will also be equipped with GPS and the crew will be outfitted with night vision devices to further enhance the crew's ability to detect, classify, and identify targets.

- Marine Environmental Protection (MEP) – Visual surveillance and the C4ISR suite on the HH-60J will be employed to monitor and map oil-covered water surfaces. The MMR can detect differences in backscatter between water and oil-covered water due to the dampening effects of oil on small wind-generated waves, while the EO/IR sensor can detect the small temperature variation between clear and oil-covered water. The COP provides the capability to navigate to previously marked pollution areas and update them based on current C4ISR and visual indications.

- Living Marine Resources (LMR) – The HH-60J will employ all sensors (MMR, EO, and IR) to provide surveillance of protected and/or closed offshore areas and ensure the protection of LMR.

- Port, Waterways, and Coastal Security (PWCS) – The HH-60 will be able to conduct thorough and sustained surveillance of an assigned area of operations, and dispatch appropriate assets to investigate any threat to security. The HH-60 will conduct maritime interdiction operations, provide outer-harbor security, escort high-value assets, and conduct search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. The protection of logistics in support of contingency operations is of the highest priority.

- Undocumented Migrant Interdiction Operations (UMIO) – The C4ISR suite, including the same sensors described in the Search and Rescue Mission will be employed to provide surveillance, detection, classification and identification in the UMIO mission. With multiple communications including UHF/VHF, HF, the HH-60J will be able to share important information with other operational units and command centers. This information will contribute to a Common Tactical Picture (CTP) and Common Operational Picture (COP) through a networked Command and Control (C2) system that provides for data sharing.

- Drug Interdiction – The same sensors and communications equipment that will support UMIO will also be utilized to support the DRUG mission. Through effective use of the CTP/COP, the HH-60J will be able to intercept as well as direct Coast Guard surface assets to intercept and prosecute suspect vessels.

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FY 2007 C-Stage
(dollars in thousands)

HH-60 CONVERSION PROJECTS **$49,302**

- Other Law Enforcement (OLE) – The use of all sensors and communications equipment will be utilized for the GLE mission. Sharing information and data through the use of the C2 system and the CTP/COP will result in increased Maritime Domain Awareness.

- National Defense – The HH-60J plays a minimal role in National Defense Missions but can support through surveillance and transport roles.
  - Port Operations, Security, and Defense (POSD)
  - General Defense Operations (GDO)
  - Peacetime Military Engagement (PME)
  - Maritime Intercept Operations (MIO)
  - Environmental Defense Operations (EDO)

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
HH-60T Avionics Upgrade	NRE/Prototype*	$29,106
HH-60J SLEP (Re-Wire)	NRE/Initial Production**	$3,366
HH-60J Radar/FLIR	NRE/Prototype***	$8,415
HH-60J Engine Sustainment	NRE****	$8,415
	Total	$49,302

* The net cost to upgrade 41 HH-60s is approximately $3.37M/aircraft. This includes non-recurring engineering (NRE), initial parts sparing, training, simulator, etc. FY 2007 funding will support prototype test and evaluation, completion of the second MH-60T (validation/verification aircraft), purchasing production parts inventory and initial production ramp up. Full production of HH-60Ts is forecast to begin late FY07/early FY08. The planned production rate is 9 per year.

** Funding will support non-recurring (pre-production) engineering (NRE) and initial production ramp up. The net cost to re-wire 41 HH-60s is approximately $470K/aircraft. Production will occur at the Aircraft Repair and Supply Center in Elizabeth City, NC in conjunction with routine planned depot level maintenance. Initial production commences in FY07. The planned production rate is 9 aircraft per year.

*** Funding will support non-recurring engineering (NRE) 2 radar units for operational testing, 2 EO/IR units for integration with the HH-60T avionics upgrade, and 8 additional EO/IR units. The net cost to complete 41 HH-60s is approximately $900K/aircraft.

**** Funding will support non-recurring engineering (NRE) and initial contracting for engine parts to build engine upgrade kits. The net cost to upgrade the Coast Guard's HH-60 GE-T-700 engine inventory (102 engines) is approximately $332K per engine. Full production is planned to begin in FY 2008.

FUNDING HISTORY

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FY 2007 C-Stage
(dollars in thousands)

HH-60 CONVERSION PROJECTS **$49,302**

	FY		TOTAL
HH-60T Avionics Upgrade	2003		$5,800
HH-60J SLEP (Re-Wire)	2003		$2,000
HH-60J Radar/FLIR	2003		$600
HH-60T Avionics Upgrade	2004		$10,000
HH-60T Avionics Upgrade	2005		$15,000
HH-60T Avionics Upgrade	2006		$24,750
HH-60J SLEP (Re-Wire)	2006		$6,039
HH-60J Radar/FLIR	2006		$5,865
		Total	$70,030

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC

Type of Contract:	Indefinite Delivery, Indefinite Quantity with award terms
Contract options:	5-year base with five, 5-year subsequent award term periods

SUBCONTRACTORS

Aircraft:	Sikorsky, Stratford, CT
Avionics:	Rockwell Collins, Cedar Rapids, IA
Power Plant:	General Electric, Lynn, MA

KEY EVENT	FY
HH-60T Avionics Upgrade Preliminary Design	2004
HH-60T Avionics Upgrade Detail Design	2005
HH-60T Avionics Upgrade Installations Begin	2006

Significant Changes
This year's budget request is a 60 percent increase over the amount appropriated for HH-60 projects in FY06. This growth in funding requirements reflects the reliance of the Revised Deepwater Implementation Plan upon the HH-60 aircraft. Previously, the original Deepwater system projected retiring all the HH-60 aircraft and replacing them with a fleet of new helicopters. The Revised Deepwater Implementation Plan retains the Coast Guard's HH-60 fleet and upgrades and converts them to serve as a long-term element of the Deepwater system. This funding continues ongoing HH-60 sustainment projects, and initiates a multi-year conversion and upgrade project for the HH-60s.

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HH-60 CONVERSION PROJECTS **$49,302**

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
HH-60J Avionics			FY02:Q3	FY11:Q4	24,750
HH-60J SLEP			FY06:Q1	FY10:Q4	6,039
HH-60 Radar/FLIR Replacement			FY06:Q1	FY12:Q4	5,841
FY 2007					
HH-60T Avionics			FY02:Q3	FY11:Q4	29,106
HH-60J SLEP			FY06:Q1	FY10:Q4	3,366
HH-60 Radar/FLIR Replacement			FY06:Q1	FY12:Q4	8,415
HH-60J Engine Sustainment			FY07:Q1	FY12:Q4	8,415

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	18,400	15,000	36,630	49,302	119,332
Obligation	18,400	15,000	35,000	47,310	115,710
Expenditure	17,664	12,600	27,010	12,450	69,724
Breakdown of Project Expenditures					
Construction / Acquisition	17,664	12,600	27,010	12,450	69,724

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
HH-60 Conversion Projects (project details outlined above)	49,302
FY 2007 Cost Estimate Project Total:	**49,302**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

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HH-60 CONVERSION PROJECTS **$49,302**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	11,710	15,762
Marine Safety	328	441
Aids to Navigation	2,436	3,279
Ice Operations	0	0
Marine Environmental Protection	1,031	1,387
Living Marine Resources	4,309	5,800
Drug Interdiction	8,057	10,844
Migrant Interdiction	2,343	3,152
Other Law Enforcement	188	252
Ports, Waterways & Coastal Security	6,043	8,133
Defense Readiness	185	252
Mission-Program Allocation Total:	**36,630**	**49,302**

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HC-130H CONVERSION PROJECTS **$53,955**

Project Description, Justification and Scope

DESCRIPTION:
Requested funds will finance the following projects for the 16 HC-130H aircraft to be retained as part of our Deepwater fleet:
1) HC-130H Avionics Modernization Program (AMP) – Funds replacement of aging and obsolete HC-130H avionics suite.
2) HC-130H Surface Search Radar – Funds replacement of increasingly unreliable and obsolete APS-137 radar.

The Lockheed HC-130H is the Coast Guard's long-range surveillance aircraft. This four-engine, turbo-prop aircraft is used extensively throughout the United States, the Pacific, and the Caribbean in support of search and rescue, homeland security, pollution prevention, logistics, personnel transport, and ice patrol missions.

CAPABILITY ACQUIRED/MAINTAINED:
The HC-130H is powered by four Allison T56-A15 engines driving Hamilton Standard four bladed propellers. When all fuel tanks are filled, the aircraft is capable of extended range (>2600 miles in low-altitude flight). With reduced fuel loads, the aircraft can carry a 40,000 pound payload. A large cargo compartment area, easily accessed through a large rear ramp, can accommodate a wide range of cargo. Its high-lift capability allows takeoff and landings from short, unpaved landing strips.

To keep HC-130H fleet in service, upgrades to the avionics, sensors and fuselage are required. The Integrated Deepwater System is currently funding the program to replace the APS-137 surface search radar. This effective but maintenance-intensive radar has suffered from degraded reliability for several years. A prototype effort to replace the APS-137 with a Selex system is currently underway. The Selex system retains the same capabilities for surface search, yet boasts an impressive reliability factor. The avionics suite on the HC-130H has been in service since the aircraft were delivered in the mid 1980s. The new digital cockpit, with multi-function displays and reliable engine and propeller indicators, will provide aircrews with increased situational awareness and reduced cockpit workload.

PERFORMANCE:
With its flight management and sensor systems, the HC-130 is a very capable maritime patrol aircraft. It is equipped with a powerful surface search radar that can detect surface targets from over 50 miles away. Once closer to the target, the sensor operator uses the Forward Looking Infrared (FLIR) and electro-optical sensor to classify and identify the target, even in night or very low-light conditions. It includes a flight management system with automatic pilot and precise global positioning system (GPS) navigation equipment, which allows the pilot to prosecute the mission while ensuring pinpoint accuracy of the aircraft's position and the position of the target vessels. A large scanner window on either side of the cargo compartment provides aerial observers with a bird's eye view of search areas during visual conditions. The HC-130H supports the following strategic goals and mission programs:

MARITIME SAFETY
- Search and Rescue – The HC-130H has a C4ISR suite that includes a Multi-Mode Radar (MMR), Electro-Optical (EO) device, and Infrared (IR) sensor to find and observe a wide range of targets. The aircraft has

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HC-130H CONVERSION PROJECTS **$53,955**

a Line of Bearing indicator and Distress Call Monitoring on various distress frequencies. It is also equipped with search windows and the crew has night vision devices to further enhance their ability to detect, classify, and identify targets.

PROTECTION OF NATURAL RESOURCES

- Living Marine Resources Enforcement (LMRE) – The HC-130H employs all sensors, MultiMode Radar (MMR), ElectrOptical and Infrared (EO/IR) to provide surveillance of protected and/or closed offshore areas and ensure the protection of LMRE.

- Marine Environmental Protection (MEP) – Visual surveillance and the side-looking radar on the HC-130H are employed to monitor and map oil-covered water surfaces. The MMR can detect differences in backscatter between water and oil-covered water due to the dampening effects of oil on small wind-generated waves, while the EO/IR sensor can detect the small temperature variation between clear and oil-covered water.

MARITIME SECURITY

- Port, Waterways, and Coastal Security (PWCS) – The HC-130H conducts thorough and sustained surveillance of an assigned area of operations, and dispatches appropriate assets to investigate any threat to security. The HC-130H participates in maritime interdiction operations, provide outer-harbor security, and conducts search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. The protection of logistics in support of contingency operations is of the highest priority.

- Undocumented Migrant Interdiction – The C4ISR suite, including the same sensors described in Search and Rescue are employed to provide surveillance, detection, classification and identification in this mission-program. With multiple communications including UHF/VHF, HF, the HC-130H can share important information with other operational units and command centers.

- Illegal Drug Interdiction – The same sensors and communications equipment that support migrant interdiction are also utilized to support the mission. With its interoperable communications suite the HC-130H can intercept as well as direct Coast Guard surface assets to intercept and prosecute suspect vessels.

- Other Law Enforcement (OLE) – The use of all sensors and communications equipment are utilized for the OLE mission.

NATIONAL DEFENSE – The HC-130H plays a minimal role in National Defense but can support surveillance and transport roles.

- Port Operations, Security, and Defense (POSD)
- General Defense Operations (GDO)
- Peacetime Military Engagement (PME)
- Maritime Intercept Operations (MIO)
- Environmental Defense Operations (EDO)

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HC-130H CONVERSION PROJECTS **$53,955**

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
HC-130H Avionics Modernization Program (AMP)	NRE*	$29,700
HC-130H Surface Search Radar	12**	$24,255
	Total	$53,955

* Non-Recurring Engineering (NRE): Pre-production project engineering. Per unit cost to be determined.

** Funding provides 12 surface search radar system (SELEX Model 7500E) units and associated logistics support.

FUNDING HISTORY

	FY	TOTAL
HC-130H Surface Search Radar	2005	$9,000
HC-130H Surface Search Radar	2006	$4,950
HC-130H Avionics	2006	$5,940
	Total	$19,890

Funding available for this item based on the appropriation, rescissions, and other changes

CONTRACTOR
Aircraft Repair & Supply Center (ARSC), Elizabeth City, NC
Type of Contract: Government Work Order

SUBCONTRACTORS

Aircraft	Lockheed Martin Aero, Marietta, GA
Engines	Rolls Royce (Allison), Indianapolis, IN
Avionics	Rockwell Collins, Cedar Rapid, IA
Radar (APS137)	Raytheon, McKinney, TX
Radar (Selex)	Selex SAS, Essex, United Kingdom
FLIR/EO	L3 Wescam, Burlington, Canada

KEY EVENT	FY
HC-130H Radar Replacement Project Contract Award	2005
Radar Preliminary Design Review	2006
Radar Critical Design Review	2006
Prototype Delivery	2006

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HC-130H CONVERSION PROJECTS **$53,955**

Significant Changes

This year's budget request is a 500 percent increase over the amount appropriated for HC-130H projects in FY06. This growth in funding requirements reflects the reliance of the Revised Deepwater Implementation Plan upon the HC-130H aircraft. Previously, the original Deepwater system projected retaining six HC-130J aircraft while retiring the entire HC-130H fleet. The Revised Deepwater Implementation Plan retains 16 HC-130H aircraft along with the six HC-130J aircraft. This funding request is the first increment of a five year upgrade and conversion plan that will ensure that the 16 HC-130H aircraft have maximum utility as a long-term element of the Deepwater system.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
C-130H Projects			FY06:Q1	FY20:Q4	10,890
FY 2007					
Avionics Modernization Program (AMP)			FY06:Q1	FY12:Q4	29,700
C-130H Surface Search Radar			FY06:Q1	FY09:Q4	24,255

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	526,200	43,000	10,890	53,955	634,045
Obligation	526,200	43,000	10,750	53,500	633,450
Expenditure	505,152	36,120	8,030	13,625	562,927
Breakdown of Project Expenditures					
Construction / Acquisition	505,152	36,120	8,030	13,625	562,927

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Legacy HC-130 Conversion Projects (project details outlined above)	53,955
FY 2007 Cost Estimate Project Total:	**53,955**

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HC-130H CONVERSION PROJECTS **$53,955**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	2,690	13,327
Marine Safety	291	1,444
Aids to Navigation	377	1,866
Ice Operations	0	0
Marine Environmental Protection	108	533
Living Marine Resources	1,094	5,420
Drug Interdiction	3,735	18,505
Migrant Interdiction	897	4,442
Other Law Enforcement	628	3,110
Ports, Waterways & Coastal Security	1,000	4,953
Defense Readiness	70	355
Mission-Program Allocation Total:	**10,890**	**53,955**

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HH-65 CONVERSION PROJECTS **$32,373**

Project Description, Justification and Scope

DESCRIPTION:

Funds complete Phase I of the Multi-Mission Cutter Helicopter (MCH) Conversion of all 95 HH-65s in the Coast Guard fleet. Phase I consists of the purchase and installation of new engines and engine control systems that restore safety and reliability of the aircraft power plant for the 84 operational HH-65 helicopters in June 2007 and the remaining 11 aircraft as they complete their depot maintenance thereafter. Along with completing the re-engining, these funds will begin Phase II of the HH-65 conversion to the MCH which includes a service-life extension to refurbish the airframe, tail drive shaft and Fenestron anti-torque device, strengthened landing gear, new radar, a new C4ISR suite and an integrated cockpit.

CAPABILITY ACQUIRED/MAINTAINED:

The Eurocopter HH-65 Dolphin is the Coast Guard's short range recovery helicopter. Currently, there are three different versions of this twin engine helicopter; the base 'A' model, the 'B' model that includes electronics upgrades, and the 'C' model that incorporates the 'B' model changes along with an upgraded engine system.

The HH-65 is primarily constructed of composite structures that provide reduced weight, increased strength, and resistance to corrosion. One of the most recognizable features of the HH-65 is its unique shrouded tail rotor called a fenestron. The HH-65 incorporates a sophisticated flight management system that allows all-weather operation, precise navigation, and automatic pilot features. If desired, the pilot can select a function that will mark a position in open water, calculate the best flight profile, and automatically fly the helicopter to a 50 foot hover right over the desired position.

The Coast Guard's Integrated Deepwater System is currently replacing the engines on all 95 of the HH65s. This new Turbomeca 2C2 engine system provides aircrews with a 40% increase in engine power, and resolves safety and reliability issues associated with the existing engines. As of December 2005, 18 of these 'C' model aircraft have been delivered to operational units. Deepwater is also developing a common command, control, and surveillance system for the HH-65 that will allow the aircrews to collect, transmit and receive information to operational commanders in real time. Additionally, an Airborne Use of Force (AUF) package is being developed. This package includes an automatic weapon, aircrew protection, and communications systems that are compatible with local, state, and Federal law enforcement, and other first responders.

When these projects are completed, the upgraded HH-65 will be referred to as the MCH. It will be a much more capable asset with increased aircraft performance, state-of-the-market avionics and surveillance equipment, and provisions for weapons. The MCH modification includes a Service Life Extension Program (SLEP) to refurbish the Dolphin airframe, new Fenestron anti-torque device, new engines, upgraded main gearbox, increased fuel capacity, strengthened landing gear, and a C4ISR suite refresh and integrated cockpit.

PERFORMANCE:

The MCH will be primarily based from shore units located on each coast, as well as the Great Lakes region, Alaska, Hawaii, and Puerto Rico. Due to its size and weight, the HH-65 will easily integrate with the National Security Cutter and Offshore Patrol Cutters, enhancing the operational capabilities of these assets in support of the following Congressionally-mandated missions:

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HH-65 CONVERSION PROJECTS **$32,373**

MARITIME SAFETY

- Search and Rescue – The MCH will be outfitted with a very capable C4ISR suite that includes a multi-mode radar (MMR), Electro Optical (EO) device, and Infrared (IR) sensor to find and observe a wide range of targets. The aircraft will have a DF-430 UHF/VHF/FM Radio Direction Finder, Distress Call Monitoring on various distress frequencies and a Global Positioning System. The crew will be outfitted with night vision devices to further enhance the crew's ability to detect, classify, and identify targets.

PROTECTION OF NATURAL RESOURCES

- Marine Environmental Protection (MEP) – Visual surveillance and the C4ISR suite on the MCH will be employed to monitor and map oil-covered water surfaces. The MMR can detect differences in backscatter between water and oil-covered water due to the dampening effects of oil on small wind-generated waves, while the EO/IR sensor can detect the small temperature variation between clear and oil-covered water. The Common Operational Picture (COP) provides the capability to navigate to previously marked pollution areas and update them based on current C4ISR and visual indications.

- Living Marine Resources Enforcement (LMR) – The MCH will employ all sensors (MMR, EO, and IR) to provide surveillance of protected and/or closed offshore areas and ensure the protection of LMR.

MARITIME SECURITY

- Port, Waterways, and Coastal Security (PWCS) – The HH-65 will be able to conduct thorough and sustained surveillance of an assigned area of operations, and dispatch appropriate assets to investigate any threat to security. The HH-65 will conduct maritime interdiction operations, provide outer-harbor security, escort high-value assets, and conduct search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. The protection of logistics in support of contingency operations is of the highest priority.

- Undocumented Migrant Interdiction – The C4ISR suite, including the same sensors described in the Search and Rescue Mission will be employed to provide surveillance, detection, classification and identification in this mission-program. With multiple communications including UHF/VHF, HF, the MCH will be able to share important information with other operational units and command centers. This information will contribute to a Common Tactical Picture (CTP) and Common Operational Picture (COP) through a networked Command and Control (C2) system that provides for data sharing.

- Illegal Drug Interdiction – The same sensors and communications equipment that will support migrant interdiction will also be utilized to support this mission-program. Through effective use of the CTP/COP, the MCH will be able to intercept as well as direct Coast Guard surface assets to intercept and prosecute suspect vessels.

- Other Law Enforcement (OLE) – The use of all sensors and communications equipment will be utilized for the OLE mission. Sharing information and data through the use of the C2 system and the CTP/COP will result in increased Maritime Domain Awareness.

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HH-65 CONVERSION PROJECTS **$32,373**

NATIONAL DEFENSE – The MCH plays a minimal role in National Defense Missions but can support the following missions through surveillance and transport roles.

- Port Operations, Security, and Defense (POSD)
- General Defense Operations (GDO)
- Peacetime Military Engagement (PME)
- Maritime Intercept Operations (MIO)
- Environmental Defense Operations (EDO)

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	FY07 QUANTITY	TOTAL
HH-65 Re-Engine	12*	$22,700
MCH Phase II	NRE**	$ 9,673
	Total	$32,373

* The net price for 95 re-engined HH-65s is $3.73M/aircraft based on a total project price of $355M. The final 12 HH-65Cs will be re-engined in FY07.

** Non-recurring engineering (NRE): Pre-production project engineering. Per unit cost to be determined.

FUNDING HISTORY

	FY	TOTAL
HH-65 Re-Engine	2004	$57,300
HH-65 Re-Engine	2005	$99,000
HH-65 Re-Engine	2006	$131,769
	Total	$288,069

Funding History is the funding available for this item based on the appropriation, rescissions, and other changes

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC

Type of Contract:	Indefinite Delivery, Indefinite Quantity with award terms
Contract options:	5-year base with five, 5-year subsequent award term periods

SUBCONTRACTORS

Aircraft:	American Eurocopter, Grand Prairie, TX
Avionics:	Rockwell Collins (Cedar Rapids, IA)

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HH-65 CONVERSION PROJECTS **$32,373**

Power Plant: Turbomeca, Grand Prairie, TX

KEY EVENT	FY
MCH Re-engining complete (Phase I)	2007
MCH Initiation of Phase II of Conversion	2007

Significant Changes

This year's budget request is a 75% decrease from the amount appropriated for HH-65 projects in FY 2006. This reduction in funding requirements reflects the completion of the re-engining effort (MCH Phase I) with these funds and the beginning of MCH Phase II.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
HH-65 Re-engining			FY03:Q2	FY07:Q4	131,769
FY 2007					
HH-65 Re-engining			FY03:Q2	FY07:Q4	22,700
MCH Phase II			FY07:Q1	FY13:Q4	9,673

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	57,300	99,000	131,769	32,373	320,442
Obligation	57,300	99,000	130,438	31,065	317,803
Expenditure	55,008	83,160	97,163	8,175	243,506
Breakdown of Project Expenditures					
Construction / Acquisition	55,008	83,160	97,163	8,175	243,506

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HH-65 CONVERSION PROJECTS **$32,373**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Legacy HH-65 Conversion Projects (project details outlined above)	32,373
FY 2007 Cost Estimate Project Total:	**32,373**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
HH-65 Flight Hour Increase	8,127
Follow-On Requirements Total:	**8,127**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	44,969	10,349
Marine Safety	1,127	290
Aids to Navigation	2,141	2,153
Ice Operations	5,996	0
Marine Environmental Protection	10,707	911
Living Marine Resources	11,135	3,809
Drug Interdiction	15,418	7,120
Migrant Interdiction	12,849	2,070
Other Law Enforcement	857	166
Ports, Waterways & Coastal Security	24,857	5,340
Defense Readiness	1,713	165
Mission-Program Allocation Total:	**131,769**	**32,373**

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(dollars in thousands)

ARMED HELO FOR HOMELAND SECURITY (AUF) $25,740

Project Description, Justification and Scope

DESCRIPTION:
This request funds equipment (armory, weapons, gun mounts, ammunition) and aircraft modifications to provide armed helicopter capability for 2 HH-60 and 34 HH-65 aircraft at seven CG Air Stations. The specific asset mix may change with future developments and changing priorities. Arming of helicopters at remaining Air Stations will occur in subsequent phases.

CAPABILITY ACQUIRED/MAINTAINED:
Since September 11, 2001, the Coast Guard's Helicopter Interdiction Squadron (HITRON) and its eight leased aircraft have been called upon to provide the only DHS AUF presence to meet emerging maritime homeland security needs. For example, in 2004, the Coast Guard's armed helicopters successfully enforced security zones at National Special Security Events (NSSEs) such as the G8 summit in Georgia and the Democratic and Republican National Conventions. In addition to handling NSSEs and other scheduled high security events, Coast Guard aircraft are tasked with patrolling critical infrastructure elements all around the country. Conducting these additional homeland security AUF operations is critical to preventing terrorist attacks in U.S. ports; however, it also detracts from HITRON's performance of counter drug operations. Considering the vast amount of critical infrastructure within the maritime transportation system and the current and projected threat environment, it is anticipated that demand for this capability will continue to grow.

Due to a shortage of armed helicopters, homeland security aviation patrols are currently being conducted largely by unarmed aircraft that can do little more than observe and request surface response. In one case in FY 2004, to provide AUF capability to respond to direct intelligence concerning potential terrorist activities in Valdez, AK, an armed MH-68 helicopter was transported cross-country from Jacksonville, FL, considerably delaying response time to an emerging maritime security threat.

Consistent with the U. S. Coast Guard's strategy for Homeland Security, integration of organic AUF capability will increase the Department's ability to stop maritime threats, including small craft and/or personnel as required, and will play a crucial role in establishing an integrated, interoperable border and port security system.

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY		TOTAL
Facility Upgrades each Air Station	Job		$1,134
Aircraft Modifications and outfit	Job		$20,429
Simulator Configuration & Initial Training	Job		$49
Installation and configuration changes	Job		$1,152
Weapons	Job		$522
Armory	Job		$737
Labor Costs	Job		$643
Security Systems	Job		$98
Project Management	Job		$976
		Total	$25,740

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FY 2007 C-Stage
(dollars in thousands)

ARMED HELO FOR HOMELAND SECURITY (AUF) **$25,740**

FUNDING HISTORY

	FY		TOTAL
Air Station San Diego (4) HH-60s	2005		$2,500
6 HH-65 & 6 HH-60Js	2006		$9,900
		Total	$12,400

CONTRACTOR

Coast Guard Aircraft Repair & Supply Center (ARSC), Elizabeth City, NC

Type of Contract: Government Work Order

Significant Changes
In 2005, the Revised Deepwater Implementation Plan made AUF a performance requirement of the Deepwater system. Consistent with this, funding for AUF is now sought as part of the Integrated Deepwater System funding request.

In order to meet other emerging capital acquisition priorities, the original three-phase plan scheduled for completion in FY07 has been changed into a five-phase plan to be completed in FY09.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Weapons & Armor			FY06:Q1	FY06:Q4	555
Aircraft Modifications			FY06:Q1	FY06:Q4	5,000
PPE/Survival Gear			FY06:Q1	FY06:Q4	93
Facility Upgrades			FY06:Q1	FY06:Q4	4,152
Simulator Configuration			FY06:Q1	FY06:Q4	100
FY 2007					
Weapons & Armor			FY07:Q1	FY07:Q4	1,259
Aircraft Modifications			FY07:Q1	FY07:Q4	20,429
Installation Costs			FY07:Q1	FY07:Q4	1,152
Facility Upgrades			FY07:Q1	FY07:Q4	1,134
Simulator Configuration			FY07:Q1	FY07:Q4	1,766

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(dollars in thousands)

ARMED HELO FOR HOMELAND SECURITY (AUF) **$25,740**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Appropriation		2,500	9,900	25,740	38,140
Obligation		2,500	9,900	25,000	37,400
Expenditure		2,500	9,900	23,000	35,400
Breakdown of Project Expenditures					
Weapons and Armor		66	555	607	1,228
Aircraft Modifications		2,202	5,000	20,053	27,255
Installation Costs (PPE Survival Gear FY06)		171	93	1,005	1,269
Facility Upgrades		40	4,152	1,200	5,392
Simulator Configuration			100		100
Training & Operations		21		135	156

Cost Estimate Detail & Changes

Funding Requirement Description	**FY 2007 Cost Estimate**
Construction / Acquisition	
Air Station Facility Upgrades	1,145
Aircraft Modifications and outfit	20,375
Simulator Configuration & Initial Training	50
Installation and configuration changes	1,163
Weapons	527
Armory	745
Labor Costs	650
Security Systems	99
Project Management	
Project Management	986
FY 2007 Cost Estimate Project Total:	**25,740**

Related Follow-On Requirements

Follow-On Requirement Description	**FY 2007 Cost Estimate**
Personnel	11,873
Operations & Maintenance	8,127
Follow-On Requirements Total:	**20,000**

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ACQUISITION, CONSTRUCTION & IMPROVEMENTS
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(dollars in thousands)

ARMED HELO FOR HOMELAND SECURITY (AUF) **$25,740**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	0	0
Marine Safety	0	0
Aids to Navigation	0	0
Ice Operations	0	0
Marine Environmental Protection	0	0
Living Marine Resources	0	0
Drug Interdiction	0	0
Migrant Interdiction	0	0
Other Law Enforcement	0	0
Ports, Waterways & Coastal Security	9,900	25,740
Defense Readiness	0	0
Mission-Program Allocation Total:	**9,900**	**25,740**

U.S. COAST GUARD JUSTIFICATION
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FY 2007 C-Stage
(dollars in thousands)

HC-130J FLEET INTRODUCTION **$4,950**

Project Description, Justification and Scope

DESCRIPTION:

The Coast Guard has 6 C-130J aircraft in its inventory. While missionization efforts are underway, the aircraft are being flown as logistics and training aircraft. This funding is requested to purchase spare parts, fund simulator training, and fund the operation of the Acquisition Project Office that will manage these aircraft throughout the missionization process. Without this funding, the additional 2000 flight hours funding requested through a separate OE funding request cannot be realized. This funding is required to ensure full fleet introduction of the C-130Js in FY08. Previous AC&I funding provided for the C130Js only addressed equipment missionization of these aircraft. This request facilitates their entry into operational service as missionized C-130J long range maritime patrol aircraft. This is projected to occur in FY08.

The Lockheed C-130 is the Coast Guard's long-range surveillance aircraft. This four-engine, turbo-prop aircraft is used extensively throughout the United States, the Pacific, and the Caribbean in support of search and rescue, homeland security, pollution prevention, logistics, personnel transport and ice patrol missions.

While the baseline aircraft has been delivered, the Acquisition Project Office (APO) must still accomplish a number of tasks, along with oversight of the aircraft's missionization to ensure successful fielding of these aircraft, to include:

-Continued procurement of initial stock of spare parts;
-Selection and procurement of sufficient training systems for both flight crews and maintenance crews;
-Flight time required for initial crew qualification;
-Maintenance Planning/Completion of Maintenance Procedure Cards;
-Establishing, testing and institutionalizing Coast Guard unique normal operating procedures; and
-Enrollment of aircraft into the Coast Guard maintenance tracking and database.

CAPABILITY ACQUIRED/MAINTAINED:

The Coast Guard's C-130J is based on the robust C-130 series aircraft design, but new engines, propellers, avionics and cargo handing equipment quickly set this new aircraft apart from its predecessor. The C-130J will assume the traditional duties of the C-130H, which include search and rescue, homeland security, pollution prevention, logistics and personnel transport.

With its Allison AE2100 engines and Dowty six-bladed propellers, the C-130J boasts advanced performance over the H model by a 20 percent increase in speed, a 40 percent increase in range and a 40 percent higher cruising altitude. It can climb higher and faster than the H model, yet takeoff and land on shorter runways.

A completely redesigned cockpit with an integrated digital flight management system allows the C130J to be operated by a two-person flight deck crew as compared to the four to five person crew of the H model. Dual heads up displays provide pilots with essential flight information and increase safety during low level maneuvers, including takeoffs and landings in reduced visibility. A high resolution ground mapping radar, integrated with on-board global positioning system (GPS) and inertial navigation system, provides aircrews with precise navigation and situational awareness. An enhanced cargo handling system provides loadmasters with the ability

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(dollars in thousands)

HC-130J FLEET INTRODUCTION **$4,950**

to automatically calculate weight and balance data, and quickly change cargo compartment configuration to accommodate different payloads.

The C-130J Missionization project will configure the aircraft with equipment to perform traditional Coast Guard operational missions. The C-130J Missionization Project leverages the technology that was developed by Integrated Coast Guard Systems for the CASA CN235 Maritime Patrol Aircraft. The missionization suite includes a surface search radar, a forward-looking infrared(FLIR)/electro-optical sensor, satellite and emergency response radios, all controlled through a flight deck mounted operator station.

PERFORMANCE:
With its flight management and sensor systems, the C-130J will be a very capable maritime patrol aircraft. It will be equipped with a powerful surface search radar that can detect surface targets from over 50 miles away. Once closer to the target, the sensor operator will use the Forward looking Infrared (FLIR) and electro-optical sensor to classify and identify the target, even in night or very low-light conditions. A flight management system that includes an automatic pilot and precise global GPS navigation equipment allows the pilot to concentrate on the details of the mission, while being ensured of pinpoint accuracy of his position and the position of the target vessels. The C-130H supports the following strategic goals and mission programs:

- Search and Rescue – The C-130J will be outfitted with a very capable C4ISR suite that includes a multi-mode surface and air search radar (MMR), Electro Optical (EO) device, and Infrared (IR) sensor to find and observe a wide range of targets. The aircraft will have a Line of Bearing indicator and Distress Call Monitoring on various distress frequencies.

- Marine Environmental Protection (MEP) – Visual surveillance and the C4ISR suite on the C-130J will be employed to monitor and map oil-covered water surfaces. The MMR can detect differences in backscatter between water and oil-covered water due to the dampening effects of oil on small wind-generated waves, while the EO/IR sensor can detect the small temperature variation between clear and oil-covered water. The Common Operational Picture (COP) provides the capability to navigate to previously marked pollution areas and update them based on current C4ISR and visual indications.

- Living Marine Resources Enforcement (LMRE) – The C-130J will employ all sensors (MMR, EO, and IR) to provide surveillance of protected and/or closed offshore areas and ensure the protection of LMRE.

- Port , Waterways, and Coastal Security (PWCS) – The C-130J will be able to conduct thorough and sustained surveillance of an assigned area of operations, and dispatch appropriate assets to investigate any threat to security. The C-130J will participate in maritime interdiction operations, provide outer-harbor security, conduct search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. The protection of logistics in support of contingency operations is of the highest priority.

- Undocumented Migrant Interdiction – The C4ISR suite, including the same sensors described in the Search and Rescue Mission will be employed to provide surveillance, detection, classification and identification

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HC-130J FLEET INTRODUCTION **$4,950**

in this mission-program. With multiple communications including UHF/VHF, HF, the C-130J will be able to share important information with other operational units and command centers. This information will contribute to a Common Tactical Picture (CTP) and Common Operational Picture (COP) through a networked Command and Control (C2) system that provides for data sharing.

- Drug Interdiction – The same sensors and communications equipment that will support Migrant Interdiction will also be utilized to support the counter drug mission. Through effective use of the CTP/COP, the C-130J will be able to intercept as well as direct Coast Guard surface assets to intercept and prosecute suspect vessels.

- Other Law Enforcement (OLE) – The use of all sensors and communications equipment will be utilized for the GLE mission. Sharing information and data through the use of the C2 system and the CTP/COP will result in increased Maritime Domain Awareness.

NATIONAL DEFENSE – The C-130J plays a minimal role in National Defense Missions but can support through surveillance and transport roles in the following missions.
- Port Operations, Security, and Defense (POSD)
- General Defense Operations (GDO)
- Peacetime Military Engagement (PME)
- Maritime Intercept Operations (MIO)
- Environmental Defense Operations (EDO)

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
C-130J Fleet Introduction	6	$4,950

FUNDING HISTORY

	FY	TOTAL
C-130J Missionization	Various	$120,000
	Total	$120,000

CONTRACTOR
Aircraft Repair & Supply Center (ARSC), Elizabeth City, NC
Type of Contract: Government Work Order

SUBCONTRACTORS

Aircraft	Lockheed Martin Aero, Marietta, GA
Engines	Rolls Royce (Allison), Indianapolis, IN
Avionics/Systems	Lockheed Martin, Eagan, MN
Radar	Elta/EDO, Israeli Aircraft Industries

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(dollars in thousands)

HC-130J FLEET INTRODUCTION **$4,950**

FLIR/EO FLIR Systems, Portland, OR

KEY EVENT	FY
Definitized Contract signed for C-130J Missionization	2005
Preliminary Design Review	2006
Critical Design Review	2006
First Aircraft Enters Modification	2007
Aircraft 1 & 2 Delivered	2007
Aircraft 3 through 6 Delivered	2008

Significant Changes

Prior year funding was derived from a Department of Defense (DOD) appropriation and was applied to acquiring and missionizing the aircraft. The APO has been able to remain functioning with support, but these DOD-sourced funds are no longer available to support the APO as they have been expended to fund contractor work on the missionization project. This year's Coast Guard funding request ensures continued oversight of the missionization process and introduction of the aircraft into as long range maritime patrol aircraft by financing the facility that manages that process. Missionization and final introduction of all six HC-130Js is on schedule to occur in FY08.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
C-130J Fleet Introduction			FY05:Q1	FY13:Q4	4,950

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation				4,950	4,950
Obligation				4,750	4,750
Expenditure				1,315	1,315
Breakdown of Project Expenditures					
Construction / Acquisition				1,315	1,315

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(dollars in thousands)

HC-130J FLEET INTRODUCTION **$4,950**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Repairable Spare Parts	1,730
Tools, Shop Supplies, Ground Support Equipment, Technical Support	80
Aviation Fuel	693
Crew training including simulator hours	50
Maintenance procedure card development	1,000
Project Management	
APO Management	60
Missionization Contractor Management	495
Other Costs	
APO Facility	842
FY 2007 Cost Estimate Project Total:	**4,950**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
C-130J Flight Operations	11,211
Follow-On Requirements Total:	**11,211**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

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HC-130J FLEET INTRODUCTION **$4,950**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	1,223
Marine Safety	133
Aids to Navigation	171
Ice Operations	0
Marine Environmental Protection	49
Living Marine Resources	497
Drug Interdiction	1,698
Migrant Interdiction	407
Other Law Enforcement	285
Ports, Waterways & Coastal Security	454
Defense Readiness	33
Mission-Program Allocation Total:	**4,950**

U.S. COAST GUARD JUSTIFICATION
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(dollars in thousands)

NATIONAL SECURITY CUTTER (NSC) **$417,780**

Project Description, Justification and Scope

DESCRIPTION:
Funds long lead material and construction for the fourth NSC, as well as funding the initial outfitting, stocking of general consumables, and testing to achieve full operational capability for all four NSCs funded to date.

CAPABILITY ACQUIRED/MAINTAINED:
The NSC is one of the surface components of the Integrated Deepwater System that will be capable of extended on-scene presence, long transits and forward deployment. It will be equipped with systems (communication, navigation and surveillance) that will allow the cutter and its deployed air and boat assets to operate and conduct a daily search of potentially 56,000 square miles of ocean in support of all congressionally mandated Deepwater missions.

The NSC is the largest of the new IDS surface assets (418'), whose inherent capabilities are a vast improvement over legacy 378' High Endurance Cutters. The NSC will be by far the most sophisticated and capable cutter the Coast Guard has ever operated. It will have a range of 12,000 NM and an underway endurance of 60 days. The crewing concept will decouple the ship operational tempo from the personnel tempo, enabling the vessel to deploy 230 days annually while maintaining the current personnel tempo of 185 days away from homeport, a 24% increase in ship annual operating days compared to the High Endurance Cutter. The cutter will be capable of patrolling singly or with multiple U.S. Coast Guard vessels, U.S. Navy vessels or vessels from other nations' navies or coast guards. The NSC will conduct proactive and reactive patrols within its assigned operating areas and will provide a robust Command and Control capability for duties as Commander, Task Unit and On-Scene Commander. It will be capable of performing all maritime DHS missions, non-General Defense Operations and General Defense Operations with the Navy, as well as Maritime Intercept Operations, Port Operations, Security and Defense, and Peacetime Military Engagements. When engaged in those missions, the NSC will be capable of detecting, classifying and tracking surface targets of interest (TOI) that range in size from makeshift rafts to large commercial vessels, as well as air TOI as small as single-engine civil aircraft.

The NSC's capabilities include:

- Engage and defeat terrorists and ensure survivability.
- Carry and deploy multiple airframes, such as 1 helicopter and 2 Vertical Unmanned Aerial Vehicles (VUAVs), or 2 helicopters, or 4 VUAVs.
- Carry and deploy multiple Short Range Prosecutor (SRP) and Long Range Interceptor (LRI) cutter boats.
- Conduct boat and flight operations in high sea states due to improved sea keeping capability.
- Support the full range of Coast Guard missions and Coast Guard intelligence element operations through greatly improved intelligence gathering and C4ISR capabilities, including a Sensitive Compartmented Information Facility (SCIF). These intelligence and C4ISR capabilities also enhance the NSC's self-defense capabilities and facilitate operations with networked DHS, DOD and national assets.
- Maintain presence and perform limited command-and-control operations in biologically, chemically or radiologically contaminated environments for up to 36 hours.
- Operate with US Navy Battle Groups with a maximum sustained speed of 28 knots.

PERFORMANCE:

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(dollars in thousands)

NATIONAL SECURITY CUTTER (NSC) $417,780

The NSC is a major contributor to overall Deepwater system performance, particularly when operating at the hub of a cutter/small boat/VUAV force package. NSC intelligence collection, analysis and dissemination, along with C4ISR capabilities, improve system responsiveness and help to prevent security incidents from developing. NSCs become the hub of multi-unit, multi-mission operations and are essential to achieving mission success in the following strategic goals and mission programs:

MARITIME SAFETY

- Search and Rescue (SAR) – The NSC will be able to search for and locate distressed mariners and recover them from positions of peril; provide medical advice, assistance, or evacuation; and when necessary, provide subjects safe transport to shore side locations. As a second priority, the NSC will be able to support recovery or control of damage to distressed vessels and other property by controlling or terminating flooding, fighting fires, dewatering, providing mechanical assistance, and towing stricken vessels. The NSC will have stern ramps and a side davit to rapidly launch and retrieve small boats. The NSC will have a Rescue Access Station to embark and load a non-stern ramp capable boat, to deploy a rescue swimmer, and to pick survivors from the water. With sustained presence, the NSC can also serve as On-Scene Commander, guiding and assisting rotary wing assets.

PROTECTION OF NATURAL RESOURCES

- Living Marine Resources Enforcement (LMR) – The NSC will enforce laws and treaties pertaining to LMR, including fisheries and marine mammal protection. The cutter will be able to provide sustained presence throughout the U.S. Exclusive Economic Zone (EEZ) and along its boundary, as well as in international areas of interest to the U.S. It will conduct at sea boardings and inspections to deter illegal or unauthorized LMR activity by documenting violations and arrest and seize vessels engaged in LMR violations if directed. The NSC will also be quipped with an Automatic Identification System (AIS) to monitor surface vessels. The information will include the ship's name, position, course, and speed and will make the job of vessel identification easier.

- Maritime Environmental Pollution (MEP) – The NSC will be able to detect maritime pollution in the U. S. EEZ, limited to verification of the type of material in the water, evidence gathering, and documentation. It will respond to 29 CFR 1910.120 Hazardous Material accidents. Additionally, the NSC will conduct surveillance operations to detect significant discharges of oil or hazardous substances for subsequent monitoring, mitigation, and removal actions. The Common Operational Picture (COP) will provide the capability to navigate to previously marked pollution areas and update them based on current C4ISR and visual indications.

MARITIME SECURITY

- Port, Waterways, and Coastal Security (PWCS) – The NSC will be able to conduct thorough and sustained surveillance of an assigned area of operations, and dispatch appropriate assets to investigate any threat to security. The NSC will conduct maritime interdiction operations, provide outer-harbor security, escort high-value assets, and conduct search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. The protection of logistics in support of contingency operations is of the highest priority.

- Undocumented Migrant Interdiction Operations – The C4ISR suite will be employed to provide surveillance, detection, classification, and identification in this mission-program. Through sustained on-scene

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(dollars in thousands)

NATIONAL SECURITY CUTTER (NSC) $417,780

presence, the NSC will also have the capability of prosecuting TOI, including interdiction, embarkation, and disembarkation, including rescuing a large number of people simultaneously when a typically unseaworthy or overloaded craft sinks or capsizes. These situations require rescue administrative processing and retaining persons onboard (sheltering, feeding, and providing basic sanitation and medical services, as well as migrant and own ship security).

- Illegal Drug Interdiction – The same sensors and communications equipment that will support migrant interdiction will also be utilized to support this mission-program. Through effective use of the CTP/COP, the NSC will be able to intercept and prosecute suspect vessels.

- Other Law Enforcement – The NSC will conduct proactive patrols as well as reactive response to intelligence information, utilizing all sensors and communications equipment to fulfill this mission. Sharing information and data through the use of the C2 system and the CTP/COP will result in increased Maritime Domain Awareness. The NSC will have both active and passive, to detect and track vessels or aircraft engaged in, or suspected of illicit activities. It will identify, classify, and sort targets of interest (TOIs). After interdicting suspicious vessels, it will be able to conduct at sea boardings and perform custodial functions associated with seizing vessels or making at sea arrests.

NATIONAL DEFENSE– The NSC defense and security-related capabilities and extreme range and endurance make them particularly suited for deployments overseas and in regions such as the Pacific Ocean where they can disrupt security incidents well before they threaten U.S. coastlines.

- Defense Readiness – The NSC will integrate with the DoD in the full range of maritime operations including surveillance, visit, board, search, seize, and unit defense. It will be capable of operating worldwide with sustained presence in an area of responsibility resulting from its capability for underway replenishment including FAS and VERTREP. The cutter will provide hard kill of subsonic anti-ship cruise missile with CIWS and soft kill capability with NULKA/SRBOC, reduced radar cross-section, reduced infrared signature, and ESM capability. The NSC will provide Mk 3 57 mm gun weapons system with optical and infrared fire control to achieve mission kill on a high-speed patrol craft beyond intermediate caliber effective range. The cutter will be able to provide berthing and logistics support for additional personnel deployed for defense operations. The NSC shall also have the ability to maintain station on an aircraft carrier conducting flight operations and to take station on, maneuver around, and escort commercial shipping steaming at operational speed. The cutter will have the ability to launch and recover Navy and NATO Vertical Take-Off and Landing (VTOL) aircraft, including armed helicopters and fuel Navy and NATO VTOL aircraft.

- Peacetime Military Engagement (PME) – The NSC will engage in military activities involving other nations to promote and maintain the security environment in peacetime, including nation-building activities. It will be able to maintain forward presence; render humanitarian assistance; conduct professional exchanges; and participate in combined operations, training, exercises, and other military or diplomatic activities. The PME mission may involve long transits and extended operations with deployments of two to four months, for which the NSC will be well suited.

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NATIONAL SECURITY CUTTER (NSC) $417,780

- Maritime Intercept Operations (MIO) – The NSC will conduct thorough and sustained surveillance of an assigned area of responsibility and detect and intercept all shipping, operating either independently or integrated with DoD and other agency assets. Additionally, the cutter will be able to dispatch trained boarding or inspection teams, providing for their logistics, support, transportation, and protection.

- Environmental Defense Operations (EDO) – The NSC will be able to detect potential threats to the physical environment and investigate those threats. The cutter will conduct operations to mitigate known environmental harm and intercept persons suspected of causing such harm. This will include mitigation of environmental exploitation designed to disrupt defense operations.

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY		TOTAL
NSC 1 Full Operational Capability	1		$30,294
NSC 2 Full Operational Capability	1		$31,284
NSC 3 Full Operational Capability (FOC)	1		$33,858
NSC 4 Long Lead Time Materials	Lot		$51,579
NSC 4 Construction & FOC	1		$270,765
		Total	$417,780

FUNDING HISTORY

	FY		TOTAL
Conceptual Development/Design	2002		$7,869
Detailed Design and Long Lead Materials for NSC 1	2003		$136,937
Construction of NSC 1	2004		$204,116
Long Lead Material and Construction of NSC 2	2005		$264,500
Long Lead Material and Construction of NSC 3	2006		$364,320
Supplemental Hurricane Katrina Funding	2006		$ 20,000
		Total	$997,742

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC

Type of Contract: Indefinite Delivery, Indefinite Quantity with award terms
Contract options: 5-year base with five, 5-year subsequent award term periods

SUBCONTRACTORS
Northrop Grumman Ship Systems (NGSS), Pascagoula, MS (ship) and Lockheed Martin Company (LMCO), Moorestown, NJ (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance systems)
Production Subcontractor: NGSS, Pascagoula, MS and LMCO, Moorestown, NJ

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NATIONAL SECURITY CUTTER (NSC) **$417,780**

Assembly subcontractor: NGSS, Pascagoula, MS

KEY EVENT	FY
Preliminary/Contract Design	2003
Detail Design	2003
Start Construction, Lead Cutter	2004
Initial Operating Capability (IOC) for Lead Cutter	2008

Significant Changes
This year's request differs from the previous budget submission in that it reflects additional costs (titled initial operational capabilities above) to complete NSCs 1, 2, and 3 as well as NSC 4 long lead materials and production in a single cost figure.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Integrated Deepwater System - NSC	FY02:Q4	FY04:Q1	FY04:Q3	FY11:Q4	364,320
FY 2007					
Integrated Deepwater System - NSC	FY02:Q4	FY04:Q1	FY04:Q3	FY11:Q4	417,780

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	348,922	264,500	364,320	417,780	1,395,522
Obligation	348,922	264,500	360,640	379,800	1,353,862
Expenditure	334,965	222,180	268,640	105,500	931,285
Breakdown of Project Expenditures					
Construction / Acquisition	334,965	222,180	268,640	105,500	931,285

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(dollars in thousands)

NATIONAL SECURITY CUTTER (NSC) **$417,780**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Surface - National Security Cutter (cost breakdown detailed above)	417,780
FY 2007 Cost Estimate Project Total:	**417,780**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
(NSC) Off Cycle Crew Support Unit Alameda Staffing	495
WMSL 750 (NSC 1) O & S Budget Model	3,149
Pre Commissioning Detachment for WMSL 751 (NSC 2)	315
Follow-On Requirements Total:	**3,959**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	FY 2007
Search and Rescue	15,943	18,282
Marine Safety	0	0
Aids to Navigation	0	0
Ice Operations	0	0
Marine Environmental Protection	0	0
Living Marine Resources	94,475	108,338
Drug Interdiction	135,134	154,964
Migrant Interdiction	23,619	27,085
Other Law Enforcement	29,949	34,343
Ports, Waterways & Coastal Security	23,187	26,589
Defense Readiness	42,013	48,179
Mission-Program Allocation Total:	**364,320**	**417,780**

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(dollars in thousands)

FAST RESPONSE CUTTER (FRC) $41,580

Project Description, Justification and Scope

DESCRIPTION:

This appropriation completes funding production of FRC 1. In accordance with Public Law 109-90, additional funding from the rescission of funds from the 110-123 conversion project will be utilized for the production of the FRC. The FRC was originally scheduled to join the Integrated Deepwater System (IDS) System of Systems in 2018 however the deteriorating condition of the 110' patrol boat necessitated moving the design forward for earlier introduction of the FRC into the IDS System of Systems.

CAPABILITY ACQUIRED/MAINTAINED:

Patrol Boats are a critical Coast Guard response and prosecution asset for all mission areas and are integral to the Integrated Deepwater System due to the capability they provide to the system. The FRC will have valuable new capabilities that are not found on the legacy 110' WPB including a 30MM gun (25MM to be installed on 1st of Class with block upgrade to 30MM once the system is certified by Navy), Deepwater interoperability, an enhanced C4ISR suite, vastly improved quality of life and a basic ship defense threat receiver system. The FRC is currently in the Detailed Design stage, with delivery of the first cutter planned for FY08. The FRC design has evolved to meet post 9/11 mission requirements. The original steel-hulled FRC design with an expected service life of 15-20 years has been modified to incorporate a state of the art composite hull with at least a 35-year hull-life. The FRC will receive enhanced Maritime Security Capabilities that will support Homeland Security and Homeland Defense in American waters through increased speed and lethality. The FRC will have a top speed of 30 knots, providing exceptional response and reaction capability and allowing for more time on station protecting port approaches. The FRC will receive critical DHS and DOD communications interoperability improvements including Military Satellite Communications (MILSATCOM) and local responder-interoperable radio communications. The main gun will be remotely operated and fully integrated with the radar and infrared sensors such that the cutter and high-value assets under its protection can be protected from a USS COLE-like incident.

PERFORMANCE:

The FRC is a critical part of the Deepwater system and a maritime security workhorse, patrolling in both coastal and high seas areas. Improved interoperability, C4ISR, COP and sensors enhances surveillance and identification performance over existing capabilities of the legacy 110' patrol boat. With its high readiness, speed, adaptability and endurance, the FRC can respond quickly and effectively to emerging security and safety issues essential to achieving mission success in the following strategic goals and mission programs:

MARITIME SAFETY

- Search and Rescue –The FRC has the capability to search for and locate distressed mariners and recover them from positions of peril; provide medical assistance, or evacuation; connectivity for medical consultation and when necessary, provide subjects safe transport to shore side locations. The FRC has the capability to attempt to control damage to distressed vessels and other property by controlling or terminating flooding, fire fighting, providing dewatering equipment, providing mechanical assistance, and towing stricken vessels. The FRC has a stern ramp to rapidly launch and retrieve the Short Range Prosecutor (SRP). The FRC has the capability to integrate, coordinate, and assist with a large number of SAR assets during surge events requiring a response to marine rescues during weather anomalies such as hurricanes or gale-force winds, ocean liner rescue operations,

and downed airline rescue operations. These cutters also remain at a high level of readiness inport for extended periods of time as determined by the Operational Commander.

PROTECTION OF NATURAL RESOURCES

- Living Marine Resources Enforcement (LMR) – The FRC has the capability to enforce laws and treaties pertaining to LMR, including fisheries and marine mammal protection. The FRC has the capability of sustained presence within the U.S. EEZ, and has the capability of conducting at sea boardings and inspections to deter illegal or unauthorized activity by documenting violations. The FRC, if required, may take possession of the vessel and then escort or tow it to port. The crew is capable of arresting, detaining and transporting suspects for further transfer ashore.

- Maritime Environmental Pollution (MEP) – The FRC can conduct surveillance and inspection operations to detect significant discharges of oil, hazardous substances, debris, and ballast water for subsequent monitoring, mitigation, and removal actions in the U.S. EEZ. These operations involve verification of type of material in water, evidence gathering, and documentation and is limited to visual determination of the type of pollutant, thickness and extent; day or night and in moderate weather conditions.

MARITIME SECURITY

- Port, Waterways, and Coastal Security (PWCS) – The FRC will be able to conduct thorough and sustained surveillance of an assigned area of operations, and dispatch appropriate assets to investigate any threat to security. The FRC will conduct maritime interdiction operations, provide outer-harbor security, escort high-value assets, and conduct search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. The protection of logistics in support of contingency operations is of the highest priority.

- Undocumented Migrant Interdiction Operations – The FRC has the capability to conduct shipboard migrant interdiction evolutions, including detection, tracking, interdiction, embarkation and disembarkation, rescue administrative processing, and retaining onboard. Targets include slow-moving rafts, small sailing vessels, small sport fishing vessels, high-speed "go fast" type vessels, and small motor freighters attempting to make the voyage to the United States, Puerto Rico, or other U.S. territories. Migrants aboard larger freighters or older fishing craft may be taken to a staging area for further transport to U.S. shores by pick-up vessels such as smaller sport fishing vessels, pleasure craft, and/or "go fast" type boats. The FRC is capable of patrolling areas where suspected illegal migration may occur, and dispatching boarding teams to suspect vessels and subsequently escorting them to their final disposition. When conducting this mission-program, both proactive and reactive, the FRC is capable of sustained presence, and has the capability to rescue a large number of people simultaneously in the event that the typical un-seaworthy or overloaded craft sinks or capsizes during the attempted voyage. This capability is facilitated by using a Jacob's ladder and/or cargo net on one side of the cutter. The FRC is capable of embarking 150 migrants for at least 24 hours, providing physical security, food, water, sanitation, basic medical services, shelter (separate from own forces) and administrative processing.

- Illegal Drug Interdiction – The FRC has the capability to conduct drug interdiction, including surveillance, visible deterrence in areas where the possibility of contraband smuggling exists, response to

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FAST RESPONSE CUTTER (FRC) $41,580

intelligence information and known incidents of drug smuggling, and dispatch a boarding team. The cutter intercepts, takes possession of contraband and the smuggling vessel. The crew is capable of arresting, detaining and transporting suspects for further transfer ashore. The FRC possesses the capability for integration and interoperability in communications, speed, sensors, and endurance with DOD and other government agency assets. The FRC has a stern ramp for rapid launch and retrieval of a small boat. The cutter has 30 knot capability for rapid interdiction of targets of interest and is equipped with a deck mounted gun and small arms.

- Other Law Enforcement – The FRC has the capability to enforce laws additional to those inherent in the primary mission-programs previously mentioned. The capability includes proactive patrols as well as reactive response to intelligence information. The sensors are effective during day/night, and in all weather and sea conditions. The FRC has the ability to conduct at sea boardings and if necessary take possession of the vessel and escort or tow it to port. The cutter has an integrated architecture of surveillance sensors, operational databases, decision support systems, and communication equipment to collect, process, and disseminate operational information to other Coast Guard units as well as other agencies in a timely manner.

NATIONAL DEFENSE – The cutter is designed to provide support to the DOD in a variety of roles and missions. The FRC has the capability to integrate with the DOD in the full range of maritime operations, including surveillance, visit, board, search, seize, and unit defense. The FRC conducts National Defense Maritime Operations worldwide in low threat environments.

o FRC support for National Defense is provided through the following:
§ General Defense Operations (GDO)
§ Maritime Interception Operations (MIO)
§ Coastal Sea Control Operations (CSCO)
§ Military Environmental Response Operations (MERO)
§ Theatre Security Cooperation (TSC)
o Representative activities that the FRC conducts in support of national defense include:
§ Limited military sealift and commercial shipping escort
§ Limited Combat Search and Rescue
§ Surveillance and interdiction
§ Visit, board, search, and seizure
§ Force protection of military shipping at U.S. seaports of embarkation and overseas ports of debarkation
§ Domestic port security and coastal defense, providing part of the overall capability for the defense of the U.S. homeland
§ Other duties as may be assigned: Coastal/Riverine Interdiction, Special Operations Forces (SOF) Insertion/Support
§ Naval Coastal Defense Operations discussed in more detail below.

OTHER PERFORMANCE – The FRC operates as required to meet assigned Coast Guard missions, in every ocean of the world. This class is not designed to operate in polar regions or ice-covered waters but has the capability for cold weather operations. Designed underway operations at Condition IV are seven days. Operations generally take place within 300 miles of homeport or advance shore base when deployed. When

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deployed for an extended period from homeport, the transfer of spare and repair parts to an appropriate land or vessel-based staging point may be required.

FUNDING HISTORY

	FY		TOTAL
Concept and Preliminary Design of FRC	2002		$4,900
Contract Design of FRC	2004		$9,590
Detail Design of FRC	2005		$30,000
Long Lead Material for FRC 1	2006		$7,425
		Total	$51,915

Funding History based on the appropriation, rescissions, and other changes

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC
Type of Contract: Indefinite Delivery, Indefinite Quantity with award terms
Contract options: 5-year base with five, 5-year subsequent award term periods

Subcontractors: Northrop Grumman, Avondale, LA (ship) and Lockheed Martin, Moorestown, NJ (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Systems)
Production Subcontractor: Northrop Grumman, Gulfport, MS and Lockheed Martin, Moorestown, NJ
Assembly Subcontractor: Northrop Grumman, Gulfport, MS

KEY EVENTS	FY
CDR Scheduled March 2006	2006
PRR Scheduled July 2006	2006
Start Production November 2006	2007
Lead ship Delivery 4th Qtr FY08	

Significant Changes
This request completes funding of FRC 1 and will allow its construction. Last year's funding amount was based on an earlier, incorrect, estimate of the cost of FRC 1 and was to have funded its testing and any follow on work. Those funds were dedicated to design and initiation of construction and were supplemented by rescinded and reappropriated 123' WPB project funds in FY06.

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FAST RESPONSE CUTTER (FRC) **$41,580**

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Surface: IDS Patrol Boats (110' to 123')	FY02:Q1	FY02:Q4	FY03:Q2	FY06:Q2	5,450
Surface: IDS Patrol Boats (FRC)	FY04:Q1	FY06:Q2	FY06:Q3	FY23:Q4	1,975
FY 2007					
Surface: IDS Patrol Boats (FRC)	FY04:Q1	FY06:Q2	FY06:Q3	FY23:Q4	41,580

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	14,490	30,000	7,425	41,580	93,495
Obligation	14,490	30,000	7,350	39,900	91,740
Expenditure	13,910	25,200	5,475	10,500	55,085
Breakdown of Project Expenditures					
Construction / Acquisition	13,910	25,200	5,475	10,500	55,085

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Surface: IDS Patrol Boats - Fast Response Cutter (FRC)	41,580
FY 2007 Cost Estimate Project Total:	**41,580**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

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FAST RESPONSE CUTTER (FRC) **$41,580**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	318	1,739
Marine Safety	259	859
Aids to Navigation	17	106
Ice Operations	0	0
Marine Environmental Protection	2	9
Living Marine Resources	1,302	8,230
Drug Interdiction	2,376	13,233
Migrant Interdiction	1,305	8,249
Other Law Enforcement	67	426
Ports, Waterways & Coastal Security	1,436	6,564
Defense Readiness	343	2,165
Mission-Program Allocation Total:	**7,425**	**41,580**

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IDS SMALL BOATS **$1,188**

Project Description, Justification and Scope

DESCRIPTION: Funds production of one Long Range Interceptor (LRI-2) and one Short Range Prosecutor (SRP-13)

CAPABILITY ACQUIRED/MAINTAINED:

The LRI is a 36-foot small boat carried by each National Security Cutter (NSC) and Offshore Patrol Cutter (OPC). The LRI provides enhanced capabilities compared to the legacy cutter boats such as higher speeds, extended range, better sea-keeping ability, and greatly improved communications and connectivity to the parent cutter. The LRI can operate beyond sight of the cutter (over the horizon) to deploy boarding parties, pursue and interdict targets of interest, and perform Search & Rescue operations.

The SRP is a 24-foot small boat that has similar capabilities as the LRI, but will operate within sight of the parent cutter. The SRP will be carried by every Deepwater surface platform.

PERFORMANCE

IDS patrol boats are discussed in terms of "force packages" under the NSC and OPC , serving to facilitate mission success. IDS small boats allow their parent cutters to conduct search and rescue operations (such as removing migrants from an overloaded boat) and law enforcement operations (such as placing a boarding team on a high interest vessel). The LRI provides significantly improved performance over existing cutter small boats, to include increased speed, passenger (boarding team) carrying capacity, communications, endurance and range. By operating beyond the line of sight of the cutter, the LRI acts as a significant force multiplier, enabling improved identification and prosecution of targets of interest.

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
LRI-2	1	$792
SRP-13	1	$396

FUNDING HISTORY

	FY	TOTAL
Design SRP/Start construction of SRP-1 through SRP-2	2002	$945
Construct SRP-3 through SRP-8	2003	$2,782
Construct SRP-9 through SRP-12	2004	$1,591
Design LRI/Start construction of LRI-1	2005	$2,300
Complete construction of LRI-1	2006	$693
	Total	$8,311

CONTRACTOR

Integrated Coast Guard System (ICGS), Washington, DC

Type of Contract: Indefinite Delivery, Indefinite Quantity with award terms

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IDS SMALL BOATS **$1,188**

Contract options: 5-year base with five, 5-year subsequent award term periods

Subcontractors: Northrop Grumman, Pascagoula, MS; Zodiac of North America, Stevensville, MD
Production Subcontractor: Adrenalin Marine, Ferndale, WA; LRI- TBD
Assembly Subcontractor: Zodiac Hurricane Technologies, Delta, British Columbia, Canada; LRI - TBD

KEY EVENTS:	FY
Delivery SRP-1 through SRP-8	2005 & Prior Years
Delivery SRP-9	2006
Delivery LRI Lead Boat	2006
Delivery SRP-10 through SRP-12	2007
Start Construction LRI-2	2007
Start Construction SRP-13	2007
Delivery LRI-2	2008
Delivery SRP-13	2008

Significant Changes
No significant changes from the previous budget submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Construction of LRI-1	FY02:Q2	FY02:Q4	FY02:Q4	FY23:Q4	693
FY 2007					
IDS Small Boats - Short Range Prosecutor	FY02:Q2	FY02:Q4	FY02:Q4	FY23:Q4	396
IDS Small Boats - Long Range Interceptor	FY02:Q2	FY02:Q4	FY02:Q4	FY23:Q4	792

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IDS SMALL BOATS **$1,188**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	5,318	2,300	693	1,188	9,499
Obligation	5,318	2,300	686	1,140	9,444
Expenditure	5,158	1,932	511	300	7,901
Breakdown of Project Expenditures					
Construction / Acquisition	5,158	1,932	511	300	7,901

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
IDS Small Boats - LRI	396
IDS Small Boats - SRP	792
FY 2007 Cost Estimate Project Total:	**1,188**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

	Budget Allocation	
U.S. Coast Guard Mission-Program	FY 2006	FY 2007
Search and Rescue	21	40
Marine Safety	1	2
Aids to Navigation	0	1
Ice Operations	0	0
Marine Environmental Protection	0	0
Living Marine Resources	152	255
Drug Interdiction	277	497
Migrant Interdiction	84	171
Other Law Enforcement	26	40
Ports, Waterways & Coastal Security	82	91
Defense Readiness	50	91
Mission-Program Allocation Total:	**693**	**1,188**

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MEDIUM ENDURANCE CUTTER SUSTAINMENT **$37,818**

Project Description, Justification and Scope

DESCRIPTION:

Funds support the Mission Effectiveness Project (MEP) for 270' and 210' Medium Endurance Cutters (WMEC). The project includes replacing major sub-systems such as small boat davits, oily water separators, air conditioning & refrigeration plants, and evaporators. The main propulsion control and monitoring systems will also be upgraded. This work will be performed by the Coast Guard's skilled workforce at the Coast Guard Yard, Curtis Bay, MD.

270' WMEC cutter class MEP is a two-phase project is estimated at approximately $7.5M per phase. Each phase is budgeted for the year the work is to be accomplished.

210' WMEC Cutter Class MEP is a single phase project is estimated at approximately $5.5M per cutter.

CAPABILITY ACQUIRED/MAINTAINED:

This funding will ensure that the 270' and 210' WMEC cutter classes will be available to meet all required missions until applicable assets in the IDS program replace them. These cutters must be retained in operational service until IDS assets assume their operational workload, per the revised Deepwater implementation plan. Each 270' and 210' WMEC provides 185 days of mission performance annually; any loss of that capability puts achievement of long-term DHS performance goals at risk. Additionally, the WMEC MEP will improve fleet operating and cost performance by replacing obsolete engineering subsystems with reliable equipment.

PERFORMANCE:

Mission Level Performance: With the capabilities previously described, the 270' and 210' WMECs will be utilized to achieve mission success in the following Congressionally-mandated mission areas:

- Search & Rescue
- Defense Readiness
- Ports, Waterways and Coastal Security
- Drug Interdiction
- Undocumented Migrant Interdiction Operations
- Living Marine Resources

System Level Total Ownership Cost: Replacing obsolete equipment will result in greater standardization, capability and reliability across the two cutter classes. Each cutter will complete the program with new equipment and improved logistical support, allowing for the continued operation of the current WMEC fleet in a more economical manner until their IDS counterparts are delivered.

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
270' WMEC Mission Effectiveness Project Phase I	3	$22,275
210' WMEC Mission Effectiveness Project	3	$15,543

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MEDIUM ENDURANCE CUTTER SUSTAINMENT **$37,818**

FUNDING HISTORY

	FY		TOTAL
Gyro Compass, P-250 Pumps, Garbage Pulpers, Alex Haley Upgrade	2002		$8,686
WMEC Maintenance Sustainment Availability Project Initiation	2003		$3,674
WMEC Maintenance Sustainment Availability	2004		$6,959
WMEC Mission Effectiveness Projects	2005		$12,500
WMEC Mission Effectiveness Projects	2006		$24,750
		Total	$56,569

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC
Type of Contract: Indefinite Delivery, Indefinite Quantity with award terms
Contract options: 5-year base with five, 5-year subsequent award term periods

Subcontractor: Coast Guard Yard, Curtis Bay, MD

KEY EVENTS:

	FY
WMEC Maintenance Sustainment Availability Project Initiation	2003
Deliver WMEC Mission Effectiveness Project Lead Vessels	2006

Significant Changes
There are no significant changes from the previous budget submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
210' and 270' WMEC MEP			FY06:Q1	FY09:Q4	24,750
FY 2007					
270' WMEC MEP			FY06:Q1	FY09:Q4	22,275
210' WMEC MEP			FY06:Q1	FY09:Q4	15,543

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MEDIUM ENDURANCE CUTTER SUSTAINMENT **$37,818**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Appropriation	19,319	12,500	24,750	37,818	94,387
Obligation	19,319	12,500	24,500	36,290	92,609
Expenditure	18,546	10,500	18,250	9,550	56,846
Breakdown of Project Expenditures					
Construction / Acquisition	18,546	10,500	18,250	9,550	56,846

Cost Estimate Detail & Changes

Funding Requirement Description	**FY 2007 Cost Estimate**
Construction / Acquisition	
210' MEP	22,275
270' MEP	15,543
FY 2007 Cost Estimate Project Total:	**37,818**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

	Budget Allocation	
U.S. Coast Guard Mission-Program	**FY 2006**	**FY 2007**
Search and Rescue	505	778
Marine Safety	31	49
Aids to Navigation	8	12
Ice Operations	0	0
Marine Environmental Protection	0	0
Living Marine Resources	4,686	7,106
Drug Interdiction	10,312	15,992
Migrant Interdiction	4,078	6,301
Other Law Enforcement	41	66
Ports, Waterways & Coastal Security	4,106	6,045
Defense Readiness	983	1,469
Mission-Program Allocation Total:	**24,750**	**37,818**

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C4ISR **$60,786**

Project Description, Justification and Scope
DESCRIPTION:

C4ISR refers to the systems and subsystems that are part of the Deepwater Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance (C4ISR) System. The C4ISR system is designed to support designated Coast Guard commanders in the exercise of authority while directing all assigned forces and first responders across the range of Coast Guard Deepwater operations. The types of work that the C4ISR system accomplishes is to:
• Collect, process, integrate, analyze, evaluate or interpret available information concerning the maritime areas of the United States, specifically focused on preventing terrorist or other illegal acts like drug smuggling and simultaneously assisting mariners in distress or aiding maritime shipping;
• Systematically observe the Maritime Domain consisting of the Ports, Waterways and Coastal on the water's surface and above the water by visual, audio, electronic, photographic or other means; and
• Obtain, by visual observation or other detection methods, information about the activities and possible threats from terrorists and criminal, while concurrently observing and assisting legitimate users in American Ports, Waterways and Coastal regions.

Simply put, C4ISR is the "eyes, ears and nervous system" of Deepwater, allowing the Coast Guard to see, hear and communicate what is happening in America's Maritime Regions. This is accomplished using modern electronic components such as radios, satellite communications and sensors that can improve visual sightings in almost total darkness and radars that can detect maritime targets in all weather conditions. By using an interoperable network to bring all of this data together, the data is transformed into useable information for a common operating picture (COP). The FY 2007 request will fund improvements to C4ISR, enabling earlier awareness of events through the more effective gathering of terrorism-related information, analysis and coordination, leading to the appropriate response — all critical to detecting, deterring and defeating terrorist attacks and criminal activities.

When Deepwater's C4ISR modernization and recapitalization is completed, cutters and aircraft will no longer operate as relatively independent platforms, with only limited awareness in the maritime region. Instead, they will have the benefit of receiving information from a wide variety of ships and sensors — enabling them to share this common operating picture. Besides the common operating picture, the Coast Guard also requires improvement on existing legacy cutters, adding sensors that will see further and in poor visibility, as well as the communication equipment to move this vastly increased amount of data ashore. There it can be changed into useable information and even communicated back to cutters and aircraft to take enforcement action.

The past year saw the completion of the first increment of Deepwater upgrades to all major legacy cutters' systems for communications to move increased amounts of information (mostly classified) faster, as well as to more cutters and aircraft. These upgrades have contributed in important ways to the Coast Guard's interdiction of illegal migrants and record seizures of illegal drugs during 2005. The Coast Guard has included within this funding request for the all three C4ISR parts; 1) the common operating picture – COP, 2) cutter upgrades, and 3) shore upgrades to process this important and rapidly growing amount of data and information from the C4ISR system in one budget item. The reason that all three are combined when compared to prior budgets is conform to

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C4ISR **$60,786**

manner that Congress appropriated the fiscal year 2006 C4ISR funds. However, individual budget information for all three C4ISR parts is still being provided in this single budget item.

COP - $40,986K funds Increment 2 in the detailed design and development of the C4ISR Common Operating Picture (COP) and its associated activities. The Integrated Deepwater System (IDS) C4ISR Implementation Plan provides for a common C4ISR design for all IDS assets which will improve the Coast Guard's overall Surveillance, Detection, Classification, and Identification capabilities. C4ISR Increment 2 also includes the design work for Phase II of the Multi-mission Cutter Helicopter, International Ice Patrol and the Long Range Search aircraft (HC-130) further increasing the capabilities of each asset in every mission which assigned.

Cutter - $14,256K funds procurement, development, integration and component-level test, installation, and system-level test of new C4ISR hardware and software improvements for two 270' Medium Endurance Cutters (WMEC) which includes:

- CG Common Command and Control System (CG-C2) hardware and software.
- Integrated Communications Systems including: Boarding Party Communications, Law Enforcement/Marine Band Radio, MF/HF Frequency Band Voice & Data Automatic Link Establishment (MF/HF ALE) Radio, UHF band Navy Data Link Radio, and an Integrated Voice Communications Distribution System.
- Logistics Information Management Systems Computing Environment, including hardware and software.
- Improved sensors, including new Radio Direction Finding System and Identification Friend or Foe Transponder & Interrogator System.

Shore - $5,544K funds the Medium and High Frequency Band Automatic Link Establishment (MF/HF ALE) and Deepwater enterprise C4ISR design infrastructure to Communication Stations and International Ice Patrol OPCEN. It includes procurement, development, integration, component-level tests, installation, and system-level tests of the new hardware and software.

CAPABILITY ACQUIRED/MAINTAINED:
C4ISR system upgrades are designed to improve the Surveillance, Detection, Classification, and Identification capabilities of each asset. This is a core component of the IDS which benefits all Coast Guard mission areas and specifically and directly supports the Coast Guard's MDA initiative. The common design promotes operational and equipment familiarity among Coast Guard personnel assigned to IDS assets. This reduces training costs as Coast Guard operators and maintenance personnel only need to be trained once on a specific piece of equipment, but can be assigned among many assets and be immediately effective in their duties. The C4ISR improvements give each cutter, aircraft, shore command, and intelligence center the command and control systems to fully receive, display, and share Common Operational Picture (COP) information. By becoming full COP participants, each unit will receive relevant MDA information. Each unit can plan operationally effective missions as they will have a clear picture of the threat they face. Accurate knowledge of the maritime domain, provided through the COP, will also ensure that an effective but efficient level of resources is allocated to combating the known threat, gaining an assurance the threat will be contained and defeated far from America's shores. Because the C4ISR system upgrades have the ability to distribute operationally critical information quickly and seamlessly to state, local, and national agencies who will be COP participants, they can leverage information generated by IDS assets for their own effective operational planning and response.

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C4ISR **$60,786**

PERFORMANCE:
The C4ISR suite establishes the ability to achieve mission success as it provides coordinated tactics, integrated intelligence, multi-agency interoperability and common situational awareness necessary to fulfill the missions with the currently planned force mix and is essential to achieving mission success in the following Congressionally-mandated missions:

MARITIME SAFETY
- Search and Rescue – The very capable C4ISR suite will be outfitted in every asset will include a radar, Electro Optical (EO) device, and Infrared (IR) sensor to find and observe a wide range of targets. It will have a Line of Bearing indicator and Distress Call Monitoring on various distress frequencies. And the crew will be outfitted with night vision devices to further enhance the crew's ability to detect, classify, and identify targets.

PROTECTION OF NATURAL RESOURCES
- Living Marine Resources Enforcement (LMR) – C4ISR will employ all sensors to provide surveillance of protected and/or closed offshore areas and ensure the protection of LMR.

- Marine Environmental Protection (MEP) – The C4ISR suite will be employed to monitor and map oil-covered water surfaces. The radars can detect differences in backscatter between water and oil-covered water due to the dampening effects of oil on small wind-generated waves, while the EO/IR sensor can detect the small temperature variation between clear and oil-covered water. The COP provides the capability to navigate to previously marked pollution areas and update them based on current C4ISR.

MARITIME SECURITY
- Port, Waterways, and Coastal Security (PWCS) – C4ISR will be a central enabling tool to conduct thorough and sustained surveillance of an assigned area of operations, and dispatch appropriate assets to investigate any threat to security. C4ISR will be essential to the conduct of maritime interdiction operations, outer-harbor security, escort high-value assets, search and rescue, and other operations in support of PWCS. The primary objective is to ensure that port and harbor areas are maintained free of threats and to support re-supply of other deployed forces. C4ISR and COP are essential tools in PWCS decision-making and law enforcement.

- Undocumented Migrant Interdiction – The C4ISR suite, including the same sensors described in Search and Rescue will be employed to provide surveillance, detection, classification and identification in this mission-program. Multiple communications including UHF/VHF, HF, and INMARSAT will be enable the sharing important information between operational units and command centers. This information will contribute to a Common Tactical Picture (CTP) and Common Operational Picture (COP) through a networked Command and Control (C2) system that provides for data sharing via INMARSAT.

- Illegal Drug Interdiction – The same sensors and communications equipment that will support migrant interdiction will also be utilized to support this mission. Through effective use of the CTP/ COP, C4ISR will be able to direct Coast Guard surface assets to intercept and prosecute suspect vessels.

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C4ISR **$60,786**

- Other - Law Enforcement (O-LE) – The use of all sensors and communications equipment will be utilized for the O-LE mission. Sharing information and data through the use of the C2 system and the CTP/COP will result in increased Maritime Domain Awareness.

NATIONAL DEFENSE – The C4ISR suite plays a role in National Defense Missions and supports the following missions specifically through better Maritime Domain Awareness.

- Port Operations, Security, and Defense (POSD)
- General Defense Operations (GDO)
- Peacetime Military Engagement (PME)
- Maritime Intercept Operations (MIO)
- Environmental Defense Operations (EDO)

FUNDING HISTORY

	FY		TOTAL
COP:			
COP Increment 1, DITC, Phase I and II of Production	2002		$110,255
COP Increment 1, DTIC (name changed to MDAC)	2004		$59,816
COP Increment 2, MDAC	2005		$31,000
COP Increment 2, MDAC	2006		$19,206
		Total	$220,277
Legacy Cutter Upgrades:			
Secure Comms Upgrades on 210 WMEC, 270 WMEC, & 378 WHEC Classes	2002		$11,716
Secure Comms Upgrades on 210 WMEC, 270 WMEC, & 378 WHEC Classes	2003		$5,166
Command & Control Upgrades on 210'WMEC Classes	2005		$7,058
270' Cutter Command & Control Upgrade	2006		$7,227
		Total	$31,167
Shore Upgrades:			
Communications Area Master Stations Upgrade (1.0)	2002		$2,286
Operations Center Upgrade at District 7, Miami	2003		$5,381
Operations Center Upgrades at Atlantic Area (LANTAREA) - Portsmouth, VA Pacific Area (PACAREA) - San Francisco, CA Intelligence Coordination Center (ICC) - Washington, DC Greater Antilles Section (GANTSEC) - San Juan, Puerto Rico	2004		$21,854
Communications Area Master Stations Upgrades (2.0)	2005		$6,500
Operations Center Upgrades at New Orleans, LA; Seattle, WA; Juneau, AK; Boston, MA Honolulu, HI;	2005		$4,500

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C4ISR			$60,786
Communication Station Upgrades Phase 1 at Boston, MA; Apra Harbor, Guam; Honolulu, HI; Kodiak, AK; Miami, FL; New Orleans, LA	2005		$8,500
Communications Area Master Stations Upgrades (3.0)	2006		$14,850
Operations Center Upgrades at Marianas Section, Guam	2006		$2,277
		Total	$66,148

Funding History based on the appropriation, rescissions, and other changes.

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC
Type of Contract: Indefinite Delivery, Indefinite Quantity with award terms
Contract options: 5-year base with five, 5-year subsequent award term periods

SUBCONTRACTORS
Systems: Lockheed Martin (Moorestown, NJ)
Communications: L3 Communications (Camden, NJ)
Mackay Communications (Edison, NJ)
Sensors: SSR Engineering (Franklin, VA)
Systems: Bell (Fort Worth, TX)
Systems: Telephonics (Farmingdale, NY)
Systems: EADS CASA (Madrid, Spain)
Systems: ARINC (Annapolis, MD)
Miscellaneous: Mission System Operator Training and Maintenance, ProSoft (Phoenix, AZ)
Sensors: EADS GmbH (Munich, Germany)
Sensors: Telephonics APS-143V3 Multi-Mode RADAR (Farmingdale, NY)
FLIR Systems Star Sapphire III (Portland, OR)

KEY EVENTS	FY
COP Increment 2 Completion	2008
COP Increment 2 installed on assets, Command Center, Communication Area Master Stations, Maritime Intelligence Fusion Center	Upon Delivery
Complete 270' Command & Control Upgrade	2008
Complete Communication Station Upgrades	2009
Complete International Ice Patrol Upgrade	2009

Significant Changes
This year's budget request is a 40 percent increase over the amount appropriated for C4ISR in FY06. This growth in funding requirements reflects the central role that the network plays in the Deepwater system. In past years, C4ISR funding has not matched planned levels and has caused slips in delivery schedule of upgrades to legacy

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C4ISR **$60,786**

cutters and shore facilities, reducing overall performance of the current Deepwater assets. To keep the C4ISR project accomplishments noted below on schedule the full amount of this funding request is needed.

- C4ISR upgrades have significantly improved operational effectiveness to 39 Legacy Cutters (378' WHECs, 270' WMECs, and 210' WMECs). 38 of 39 cutters have Enterprise Communications Wide Area Network, that permits classified (e-mail, chat, web access) communications.
- INMARSAT-B Channel Upgrades have doubled the bandwidth from 64kbps to 128kbps and permitted bandwidth sharing (completed on 25 of 39 cutters)
- 27 of 39 cutters now have Automatic Identification System (AIS)
- ECWAN/SIPRNET upgrades have changed the legacy single unit case prosecution into jointly coordinated, multi-unit success stories. Units have near real time, covered tactical communications, reducing the number of unnecessary vessel intercepts.
- AIS provides greatly improved navigational safety awareness for the cutters and commercial mariners. Further development of AIS capabilities will enhance local tactical pictures onboard Deepwater resources.
- Command Center Upgrades - District Seven Command Center partially completed. First Command Center upgrade is scheduled for Jan 06 and will continue until Jun 07. Communication Area Master Station (CAMS) upgrades (Communication Area Master Station Atlantic and Pacific CAMSLANT/CAMSPAC) continue including breaking ground at CAMSLANT this winter.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
COP Increment 2, MDAC			FY02:Q2	FY09:Q4	19,206
270' Cutter Command & Control Upgrade			FY06:Q1	FY07:Q4	7,227
Comm. Area Master Stations Upgrade (3.0)			FY06:Q1	FY07:Q4	14,850
Ops Center Upgrades at Marianas Sect. Guam			FY06:Q1	FY07:Q4	2,277
FY 2007					
COP Increment 2			FY02:Q2	FY23:Q4	40,986
Cutter			FY02:Q2	FY23:Q4	14,256
Shore			FY02:Q2	FY23:Q4	5,544

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C4ISR **$60,786**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	216,474	57,558	43,560	60,786	378,378
Obligation	216,474	57,558	43,120	58,330	375,482
Expenditure	207,815	48,349	32,120	15,350	303,634
Breakdown of Project Expenditures					
Construction / Acquisition	207,815	48,349	32,120	15,350	303,634

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
COP Increment 2 Detailed Design & Development	39,006
Maritime Domain Awareness Center (MDAC)	1,980
270' Cutter Command and Control Upgrade (2 cutters)	14,256
Communication Station Upgrade Phase 2	4,950
Upgrade International Ice Patrol OPCEN	594
FY 2007 Cost Estimate Project Total:	**60,786**

Method of Performance

The method of performance for this request is addressed fully in the Deepwater Government Program Management budget sheet.

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C4ISR **$60,786**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	3,832	10,439
Marine Safety	422	549
Aids to Navigation	312	1,027
Ice Operations	148	549
Marine Environmental Protection	385	1,391
Living Marine Resources	8,116	9,574
Drug Interdiction	15,151	17,515
Migrant Interdiction	5,532	7,228
Other Law Enforcement	1,226	1,528
Ports, Waterways & Coastal Security	6,106	8,803
Defense Readiness	2,330	2,183
Mission-Program Allocation Total:	**43,560**	**60,786**

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DEEPWATER LOGISTICS **$42,273**

Project Description, Justification and Scope
Description:

This fiscal year 2007 request will fund continued development of logistics engineering, implement Logistics Information Management Systems (LIMS) capability at Shore Sites and upgrade facilities that will house new assets. This investment is necessary to ensure that Deepwater assets delivered to the Coast Guard have the necessary logistics and maintenance support to maximize their operational effectiveness. The specific elements of these project requests are:

LIMS - $17,325K will be utilized to execute the revised Logistics project plans synchronized with the overall Revised Deepwater Implementation Plan. This intensive and time-sensitive system support development effort is necessary for the successful fielding of assets for achievement of targeted operational effectiveness goals. The three primary areas of logistics engineering include a) Business Process Development b) Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) equipment support, and c) network-based Logistics Information Management System (LIMS) development.

Shore Facilities with Logistics Responsibilities - $495K will be utilized to install LIMS at Aircraft Training Center (ATC) Mobile, AL.

Facilities for New Cutters and Planes - $24,453K will execute the revised shore facility project plan to provide adequate support infrastructure for the new Deepwater assets. These FY 2007 funds are needed for timely completion of shore facility upgrades required to support the asset delivery schedule in the Revised Deepwater Implementation Plan in Panama City, FL; Miami, FL; San Juan, PR; Kodiak, AK; Alameda, CA; Petaluma, CA; and Mobile, AL.

Deepwater Logistics is designed to support the Deepwater System as new assets and capabilities are delivered or as current Coast Guard aircraft are converted into Deepwater end-state assets. Logistics support is designed to be provided by LIMS, which requires installation at specific Coast Guard Shore Units that will be responsible for providing Logistics support.

The other main component of logistics is the facilities that will become the homes to these assets (new ships and planes as well as converted legacy aircraft). These facilities fall into one of two categories: 1) current Coast Guard facilities that are modified to be used for the new and/or converted assets, such as lengthening piers for a longer ship, and 2) newly acquired facilities, including land and the associated buildings that will be the new homes to the Deepwater ships and aircraft.

Logistics support includes the following functional work: 1) maintenance, 2) manpower considerations for the assets such as the design of controls for engineers on ships and flight controls on aircraft, 3) supply support in terms of parts, 4) special equipment used for testing and calibrating the cutters and planes, 5) providing the technical manuals related to operations and maintenance, 6) all aspects of training and training tools, 7) computer support for the asset (if not already included in the C4ISR budget), and 8) all of the physical movement and care of the parts, equipment components and supplies, including packaging, handling, storage and transportation.

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DEEPWATER LOGISTICS **$42,273**

LIMS will automatically collect and process logistics data; the system can then be used to project support requirements and trends, and eventually provide readiness assessments instantly to operational commanders. This will relieve the Coast Guard workforce of the hard work associated with current keying in millions of individual data items across the Coast Guard. Also, within LIMS is the Learning Management System (LMS), which will schedule, track and distribute all training and training requirements for Coast Guard personnel. With its ability to bring the right information to the right people at the right time, LIMS is expected to make life better for the personnel involved in logistics and provide operationally relevant information to Coast Guard operators. Coast Guard crews will have maintenance support technologies to provide step-by-step computer generated instructions and 24-hour expert assistance made available through remote support services. Increased reliability of Coast Guard cutters and aircraft will result in more operational time for these assets.

Improved cost management will be an important feature that this investment in LIMS will provide by:

- Improving logistics operations and improving rules, tools and processes to reduce costs through adoption and institutionalization of best public and private sector business practices;
- Significantly improving inventory accuracy of all items;
- Reducing costs by eliminating inventory at multiple locations; and
- Improving customer support by collaborating with private industry to develop effective support arrangements (such as service support agreements and other agreements).

Simply put, improved logistics is one way to keep a resourceful and thrifty Coast Guard operating better. It can stop an expensive practice of using one asset for spare parts to keep other like assets operating, which has been used frequently enough in the past that the term "parts cannibalization" has been coined. This inefficient practice can be avoided by using LIMS to bring together and transform the data into an electronic status system indicating, Coast Guard-wide, the location and availability of needed parts. If the part is available, LIMS will auto-generate the shipping documents to transfer that item to the unit who needing the part.

These logistics improvements will allow the Coast Guard to manage facilities with fewer personnel focused on logistics, keep less "safety stock" due to better inventory accuracy and remove inefficiencies that delay critical assets from being ready to operate. In addition, LIMS information will be available at higher levels in the organization to determine asset or class-wide equipment issues.

Establishing a responsive Integrated Logistics System early in system deployment will provide benefits in reduced life cycle cost and increased operational effectiveness. Integrating enterprise-wide processes across lines of maintenance, supply support, technical manuals, support and test equipment, computer support, facilities and transportation will assist in moving the Coast Guard towards an efficient centralized business model. Incorporating sound Human Systems Integration (HSI) processes, which include labor, personnel, training, human factors engineering and system safety, can significantly improve human performance and reduce operational costs by reducing personnel costs.

The C4ISR equipment support area includes training and maintenance analyses and the full suite of support products for both operators and maintainers. C4ISR equipment provides Maritime Domain Awareness across

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DEEPWATER LOGISTICS **$42,273**

surface, air and shore assets; ensuring adequate C4ISR logistics support preserves and protects this substantial investment. Performing complex reliability, maintainability and availability analyses are necessary to measure and baseline C4ISR supportability goals. Establishing accurate baselines are crucial for future configuration management, and for exercising effective and efficient equipment and supply chain management.

Investing in LIMS is central to our network-centric system. LIMS provides the ability, using collected data, to bring the right information to the right people at the right time. It streamlines parts ordering and management, facilitates maintenance functions, and provides an innovative training delivery system. Interconnected processes accessed via an on-line support infrastructure will improve each IDS unit's operational effectiveness by providing responsive maintenance support, establishing and maintaining inventory levels, and automatically ordering parts. This ensures that each asset remains available for its planned operational hours. This same feature also manages Total Ownership Costs as the inventory tracking system determines equipment and spare parts usage rates and determines efficient inventory levels. For example, logisticians will be able to quickly forecast support requirements and trends, as well as reduce single point failures. Designers will be able to more easily introduce proven state-of-the-market technology, assess design trade-offs, and use concurrent engineering to create assets with improved maintainability. The data also supports a "remove-and-replace" concept for components and modules that will simplify repair tasks. To facilitate development and delivery, LIMS is now part of the C4ISR Increment 1.

FUNDING HISTORY

	FY		TOTAL
LIMS			
Business Process Development, C4ISR Support, and LIMS Iteration 0	2002		$18,977
Business Process Development, C4ISR Support, and LIMS Iteration 1	2003		$16,790
Business Process Development, C4ISR Support, and LIMS Iteration 1 continuation	2004		$20,508
Business Process Development, C4ISR Support, and LIMS/C4ISR Increment 1	2005		$15,100
Business Process Development, C4ISR Support, and LIMS/C4ISR Increment 2	2006		$11,583
		Total	$82,958
Shore			
LIMS Development and Installation at:			
Engineering Logistics Center, Operations System Center Aviation Repair & Supply Center,	2002		$1,065
Maintenance Logistics Command Atlantic, Naval Engineering Support Unit Miami, Electronic Support Unit (ESU) Miami	2003		$ 994
Command and Control Center,	2004		$19,484

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DEEPWATER LOGISTICS			**$42,273**
Maintenance Logistics Command Pacific, and Training Center Yorktown			
Production/Deployment of LIMS at seven units	2005		$1,600
		Total	$23,143
Facilities			
Design for Hangar, OCCSU building & pier upgrades	2004		$5,468
ATC Mobile Hangar Construction (Phase I)			
OCCSU Building Construction			
CAMSLANT Facility Expansion Construction			
Pier Facility Upgrades	2005		$23,100
TRACEN Petaluma Building Rehab (Phase I)			
ATC Mobile Hangar Construction (Phase II)	2006		$7,029
		Total	$35,668

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC
Type of Contract: Indefinite Delivery, Indefinite Quantity with award terms
Contract options: 5-year base with five, 5-year subsequent award term periods

SUBCONTRACTORS

LIMS Business Process Development:	MA&D - Crew Modeling (Boulder, CO) Mincom - ILS Process Re-engineering (Englewood, CO) NGDMS - HSI (Reston, VA) LM Technical Services – Process Integration (Cherry, Hill, NJ) Pittiglio Rabin Todin & McGrath (PRTM) - Supply Chain Logistics (Washington, DC) Prosoft - Training (Virginia Beach, VA) Sigmon - ILS Process Re-engineering (Norfolk, VA)
C4ISR Support:	EADS GmbH - NSC Air Search Radar (Ulm, Germany) FLIR Systems - Various EO/FLIR (Portland, OR) L3 Communications - Integrated COMMS Int/Ext. (Camden, NJ) LM Eagan - MPA Mission Pallet (Eagan, MN) LM IS&S - Intel, Enterprise SATCOM / INTEL (Valley Forge, PA) LM Technical Services - C4 Installs, Tech Docs, Provisioning, Sustainment (Cherry, Hill, NJ) Sierra Nevada - Surface UCARS (Sparks, NV)
LIMS:	Dimension Technology Solutions - LIMS Interface (Boulder, CO) Mincom - LIMS Software (Englewood, CO) Spectrum - Learning Mgt. System (Vienna, VA) Sum Total (Docent) - Learning Mgt. System (Mountain View, CA)

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DEEPWATER LOGISTICS **$42,273**

LIMS Development:	LM Technical Services – LIMS Integration (Cherry, Hill, NJ)
	Dimension Technology Solutions - LIMS Interface (Boulder, CO)

All shore facility projects are executed and managed within the Coast Guard by the Facility Design and Construction Centers (FDCCs) at Norfolk, VA and Seattle, WA. Each project is awarded to an Architectural/Engineering (A/E) firm and/or a construction contractor for completion.

KEY EVENTS:	FY
LIMS	
Business Process Development, C4ISR Support,	
Iteration 0 Started	2002
Business Process Development, C4ISR Support continuation	
Iteration 0 Completed	2003
Iteration 1 Started	2003
Iteration 1/Increment 1 Completed	2006
Shore	
Initial LIMS Installation at 1st Shore Site	2004
Development/Deployment of LIMS to NESU (two),	
ATTC, ATC, CG Yard, ESU, TRACEN, OCCSU	2005
Complete deployment of LIMS to shore sites	2007

Significant Changes

This year's budget request is a 80 percent increase over the amount appropriated for logistics in FY06. This growth in funding requirements reflects the central role that logistics play in supporting the Deepwater system as it is delivered. The planning lead time for shore installations is particularly long and requires funding in a timely fashion to ensure piers and airfields are ready when needed to accommodate the NSC and the MPA as they begin to enter service.

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DEEPWATER LOGISTICS **$42,273**

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
BPD, C4ISR Support & LIMS/C4ISR Incr. 2	FY2002:Q2	FY2006:Q3	FY2006:Q2	FY2009:Q4	11,583
ATC Mobile Hanger Construction (Phase II)	FY2002:Q2	FY2006:Q3	FY2006:Q2	FY2007:Q4	7,029
FY 2007					
Deepwater Logistics			FY2002:Q2	FY2026:Q4	42,273

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	83,286	39,800	18,612	42,273	183,971
Obligation	83,286	39,800	18,424	40,565	182,075
Expenditure	79,955	33,432	12,724	10,675	136,786
Breakdown of Project Expenditures					
Construction / Acquisition	79,955	33,432	12,724	10,675	136,786

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
LIMS Installation at ATTC Mobile, AL	495
Upgrade pier/shore ties in Panama City, FL	99
Upgrade pier/shore ties and Fenders in Miami, FL	396
Upgrade pier/shore ties and Fenders in San Juan, PR	990
Upgrade pier/shore ties in Kodiak, AK	4,950
Construction of Off-Cycle Cutter Crew Support Unit building in Alameda, CA	9,702
Facility upgrades for C4ISR equipment installs (24 total)	2,376
Completion of Phase I of Bldg 500 at Training Center Petaluma, CA	1,188
Construction of simulator building at ATC Mobile, AL	3,861
Survey, Design & Engineering	
Environmental Assessments (6 total)	396
Upgrade Deepwater Program Environmental Statement	495
LIMS - ICGS Common System Development Continuation	17,325
FY 2007 Cost Estimate Project Total:	**42,273**

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DEEPWATER LOGISTICS **$42,273**

Method of Performance

The method of performance for this request is addressed in the Deepwater Government Program Management budget sheet.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	3,096	7,260
Marine Safety	200	382
Aids to Navigation	308	714
Ice Operations	155	382
Marine Environmental Protection	401	968
Living Marine Resources	2,862	6,658
Drug Interdiction	5,589	12,181
Migrant Interdiction	2,156	5,027
Other Law Enforcement	462	1,063
Ports, Waterways & Coastal Security	2,730	6,122
Defense Readiness	653	1,516
Mission-Program Allocation Total:	**18,612**	**42,273**

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SYSTEMS ENGINEERING & INTEGRATION **$35,145**

Project Description, Justification and Scope

DESCRIPTION:

Systems engineering and integration work touches every facet of the Deepwater enterprise—encompassing the integration of such areas as human-capital management, information technology, capital investment planning for air and surface platforms, integrated logistics, command, control, and computers, intelligence, surveillance, and reconnaissance, and, most importantly, the fleet operator.

Specifically, the systems integrator is responsible for the following tasks and system elements:

- System of systems engineering including system architecture development, operational effectiveness analysis, Total Ownership Cost management, and enterprise-level requirements management.
- Enterprise-level system integration.
- Enterprise-level program management.
- Developmental test and evaluation.
- Quality assurance.
- Integrated product and process development.
- Transition plan management.
- System and domain level integrated support plans.
- IDS Implementation Plan and Integrated Master Schedule maintenance and management.

CAPABILITY ACQUIRED/MAINTAINED:

The Deepwater solution is designed to incorporate off-the-shelf systems and components where possible. Therefore Systems Engineering and Integration are essential to ensuring interoperability at the unit, system, and organizational levels both internal to the Coast Guard and with other DHS and DOD assets. Effective systems integration—bringing things technically and operationally together so they operate as a whole—will minimize the cost of asset acquisition, operations, and maintenance; maximize the assets' ability to interoperate with each other (and those of other agencies), and minimize the overall project risk.

The Coast Guard is planning an integrated system of aviation, cutter, and shore assets that are interoperable through a comprehensive C4ISR detection and communications structure. Without Systems Engineering and Integration the assets and sub-systems in the IDS program would be implemented in an inefficient and ineffective manner. One example involves the delivery of upgraded capabilities to legacy cutters; including a classified Local Area Network, upgraded INMARSAT B satellite communications, Automatic Identification System (AIS), and Law Enforcement Radio. This project provides significantly increased capabilities and Maritime Domain Awareness to the legacy cutters. The application of Systems Engineering and Integration to these upgrades emphasizes a system wide view of the project with the result that corresponding upgrades also be accomplished at shore-side command centers. This permits the cutters to send and receive important operational information; further increasing Maritime Domain Awareness and maximizing operational effectiveness. Failure to utilize Systems Engineering and Integration could potentially result in upgrading just the cutters alone and would only marginalize the benefits of the C4ISR upgrades.

System engineering evaluations are performed across the system, subsystem, and component levels to analyze products and capabilities for both interoperability and system commonality. These efforts culminate in the ability

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SYSTEMS ENGINEERING & INTEGRATION **$35,145**

to determine and document predicted total system performance for numerous configurations and scenarios. Deepwater's systems engineering has the responsibility for the overall technical configuration-development process—culminating in a program management plan that encompasses all management areas.

PERFORMANCE:
Systems Engineering and Integration are essential to maximizing Operational Effectiveness of all IDS assets and directly supports mission success in the Coast Guard. System Engineering and Integration is also providing significant operational concept development and earlier identification of total ownership cost. It also fully supports the federal government's acquisition approach by specifying that the total system of systems be well-defined before full procurement commences. It will also result in a lower overall projected bid cost to the federal government (compared to the government estimate).

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
ICGS Systems Engineering and Integration	1	$35,145

FUNDING HISTORY

	FY	TOTAL
Overall Contractor Management of the Systems Engineering Process	2002	$59,065
	2003	$44,716
	2004	$42,139
	2005	$43,000
	2006	$36,630
	Total	$225,550

Funding History is the funding available for this item based on the appropriation, rescissions, and other changes.

CONTRACTOR
Integrated Coast Guard System (ICGS), Washington, DC
Type of Contract: Indefinite Delivery, Indefinite Quantity with award terms
Contract options: 5-year base with five, 5-year subsequent award term periods

KEY EVENTS	FY
System Increment 1 – Integrated Product Environment	2002
System Increment 2 – Initial Integrated Product & Process Development Team Training	2003
System Increment 3 – Deepwater System Architecture Plan	2004
Continue Prime Contractor's Program Management, Systems Engineering and Integration	2005

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SYSTEMS ENGINEERING & INTEGRATION **$35,145**

Significant Changes
The reduction in the funding request this year reflects a programmatic decision for the government to assume some of the duties previously accomplished by system integrator.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Systems Engineering & Integration			FY2002:Q2	FY2026:Q4	36,630
FY 2007					
Systems Engineering & Integration			FY2002:Q2	FY2026:Q4	35,145

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	145,920	43,000	36,630	35,145	260,695
Obligation	145,920	43,000	36,260	33,725	258,905
Expenditure	140,083	36,120	27,010	8,875	212,088
Breakdown of Project Expenditures					
Survey, Design & Engineering	140,083	36,120	27,010	8,875	212,088

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Survey, Design & Engineering	
Systems Engineering & Integration	35,145
FY 2007 Cost Estimate Project Total:	**35,145**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
Deepwater Asset and Upgrade Follow On Operating Costs	3,360
Follow-On Requirements Total:	**3,360**

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SYSTEMS ENGINEERING & INTEGRATION **$35,145**

Method of Performance

Per Section 1.H.1 of Deepwater Exhibit 300, "Description of Performance Based Management System", an Earned Value Management System (EVMS) is used for the system integrator contract work under each of the various Delivery Task Orders (DTOs). The Dekker Trakker software program that meets ANSI/EIA Standard 748 is being used by the Deepwater Program. Dekker Trakker is the tool that is used by the Systems Integrator to resource load schedules, track progress and record expenses. An additional Earned Value viewing tool also being used is Dekker iPursuit which is the viewing tool that allows Deepwater personnel to view monthly Cost Performance Reports. The iPursuit program also allows for extensive insight into the data that was used to generate the Cost Performance Reports. For example, it can provide a breakdown of cost and schedule variances by Work Breakdown Structure (WBS).

Budget Allocation to Mission-Program

	Budget Allocation	
U.S. Coast Guard Mission-Program	**FY 2006**	**FY 2007**
Search and Rescue	6,094	6,036
Marine Safety	394	317
Aids to Navigation	605	594
Ice Operations	305	317
Marine Environmental Protection	790	804
Living Marine Resources	5,634	5,535
Drug Interdiction	10,998	10,127
Migrant Interdiction	4,244	4,179
Other Law Enforcement	909	884
Ports, Waterways & Coastal Security	5,373	5,090
Defense Readiness	1,284	1,262
Mission-Program Allocation Total:	**36,630**	**35,145**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

GOVERNMENT PROGRAM MANAGEMENT **$48,975**

Project Description, Justification and Scope

DESCRIPTION:

This provides funding for government program management and oversight. Program management funds provide support for administration, technical reviews, technology analysis, performance monitoring of both the Program and the System Integrator, Operational Test and Evaluation, Transition Management and Risk Management. The growth in the funding request this year reflects a programmatic decision for the government to assume some of the duties previously accomplished by the system integrator.

CAPABILITY ACQUIRED/MAINTAINED:

Deepwater program management gives the Coast Guard the capability to protect the government's interests during the Deepwater acquisition, ensure the System Integrator delivers products and services to the Coast Guard that both meet the terms and conditions of the contract, and provide the capabilities and performance the Coast Guard requires to accomplish assigned missions. It is the responsibility of the Coast Guard to ensure that the products delivered by the System Integrator meet the government's performance specifications. The Coast Guard does this through a staff at the Program Management Office, as well as several other contractor and government locations. The staff includes a number of government military service members, civilian employees and support contractors experienced in all phases of large, complex acquisition programs. Many of the program management staff members participate as members on Integrated Product Teams charged with the day-to-day implementation of the IDS.

There are major milestones and reviews (e.g., Preliminary Design Review, Production Readiness Review, etc.) associated with IDS as the program progresses through Concept & Technology Development, System Development and Demonstration, Production and Deployment, and the Operations and Support Phases. Coast Guard program management staffs participate in these reviews, some of which are held at the contractor's facility, to ensure the System Integrator and the program are performing satisfactorily.

Technology is constantly changing, and over the projected 40 year life of the IDS there will be several technology refreshes or upgrades. Government program management staff is charged with analyzing the capability and applicability of new technologies proposed by the System Integrator.

Program management funding also supports performance monitoring of both the IDS and the System Integrator. This is accomplished through the use of a variety of tools such as the Earned Value Management System (EVMS) and monthly Quad Charts. EVMS permits the Coast Guard to closely follow the cost and schedule performance of the System Integrator while Quad Charts provide a review of program cost, schedule and performance criteria.

The Operational Tests and Evaluation (OT&E) funds the Navy's Commander Operational Test and Evaluation Forces (COMPOPTEVFOR) for the execution of Deepwater Operational Testing. While developmental testing and evaluation is the responsibility of the contractor to verify the technical capabilities, OT&E is an inherently governmental responsibility to validate the usability. COMOPTEVFOR serves as the technical advisor to the Coast Guard and is responsible for overseeing and contributing to the conduct of independent tests for the early involvement, review and assessment of system, as well as asset operational performance.

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GOVERNMENT PROGRAM MANAGEMENT **$48,975**

Program management funding also supports the transition of IDS assets to the Coast Guard. Coast Guard program management staff serves as a liaison or bridge between the System Integrator and the operational user.

Deepwater Performance/Risk Management gives the Coast Guard the ability to project the future performance of IDS assets and the operational performance of the entire IDS System of Systems. It also allows the Coast Guard to protect the government's interests by translating the technical capabilities of assets into operational outcomes.

COST ESTIMATE OF WORK TO BE FUNDED THIS FISCAL YEAR

ITEM	QUANTITY	TOTAL
Funds Government Program Management	1	$48,975

FUNDING HISTORY

	FY	TOTAL
Government Program Management	2002	$35,016
	2003	$27,818
	2004	$33,799
	2005	$38,000
	2006	$34,650
	Total	$169,283

Significant Changes
The growth in the funding request this year reflects a programmatic decision for the government to assume some of the duties previously accomplished by system integrator.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Government Program Support			FY02:Q2	FY23:Q4	34,650
FY 2007					
Government Program Support			FY02:Q2	FY23:Q4	48,975

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GOVERNMENT PROGRAM MANAGEMENT **$48,975**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Appropriation	96,633	38,000	34,650	48,975	218,258
Obligation	96,633	38,000	34,650	46,526	215,809
Expenditure	91,810	31,920	25,550	12,244	161,524
Breakdown of Project Expenditures					
Project Management	91,810	31,920	25,550	12,244	161,524

Cost Estimate Detail & Changes

Funding Requirement Description	**FY 2007 Cost Estimate**
Project Management	
Government Program Management	48,975
FY 2007 Cost Estimate Project Total:	**48,975**

Related Follow-On Requirements

Follow-On Requirement Description	**FY 2007 Cost Estimate**
None.	

U.S. COAST GUARD JUSTIFICATION
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(dollars in thousands)

GOVERNMENT PROGRAM MANAGEMENT **$48,975**

Method of Performance

Per Section 1.H.1 of Deepwater Exhibit 300, "Description of Performance Based Management System", an Earned Value Management System (EVMS) is used for the system integrator contract work under each of the various Delivery Task Orders (DTOs). The Dekker Trakker software program that meets ANSI/EIA Standard 748 is being used by the Deepwater Program. Dekker Trakker is the tool that is used by the Systems Integrator to resource load schedules, track progress and record expenses. An additional Earned Value viewing tool also being used is Dekker iPursuit which is the viewing tool that allows Deepwater personnel to view monthly Cost Performance Reports. The iPursuit program also allows for extensive insight into the data that was used to generate the Cost Performance Reports. For example, it can provide a breakdown of cost and schedule variances by Work Breakdown Structure (WBS).

In addition to EVMS, the program has the following three overarching aspects against which system implementation is measured.

1. USCG STRATEGIC GOALS - Mission-Program Measurements:

MARITIME SAFETY

• Search and Rescue (SAR) - percentage of lives saved in cases with Deepwater system assets.

• Marine Safety - International Ice Patrol/Limits of All Known Ice Broadcasts (IIP/LAKI): maintain 95% accuracy of all LAKI broadcasts.

PROTECTION OF NATURAL RESOURCES

• Living Marine Resources (LMR) - percentage of Deepwater Living Marine Resources Law Enforcement (LE) boardings without significant violations.

MARITIME SECURITY

• Illegal Drug Interdiction - Cocaine Seizure Rate: percent of cocaine shipped through transit zone that is seized by Deepwater assets.

• Undocumented Migrant Interdiction: percentage of total migrant flow interdicted with Deepwater assets.

• Other Law Enforcement (OLE) - Foreign Fishing Vessel (FFV) Incursions: percentage of foreign fishing vessels detected in the U.S. Exclusive Economic Zone (EEZ) interdicted with Deepwater assets.

NATIONAL DEFENSE

• Defense Readiness (DR) - maintain 100% combined percentage of military readiness of WHECs and WPBs (110') to support Department of Defense requirements.

2. READINESS PERFORMANCE MEASUREMENTS: cutter availability, aircraft availability, and aircraft dispatch reliability index.

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GOVERNMENT PROGRAM MANAGEMENT **$48,975**

3. OPERATIONAL PERFORMANCE MODELING: Using the Center for Naval Analysis IDS Asset Assessment Tool (CIATT) model the number of square miles of ocean in which the Deepwater assets can detect, identify, and prosecute targets in the Deepwater operating area.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	5,764	8,411
Marine Safety	373	442
Aids to Navigation	572	827
Ice Operations	289	442
Marine Environmental Protection	747	1,121
Living Marine Resources	5,329	7,713
Drug Interdiction	10,404	14,112
Migrant Interdiction	4,014	5,824
Other Law Enforcement	860	1,231
Ports, Waterways & Coastal Security	5,083	7,093
Defense Readiness	1,215	1,759
Mission-Program Allocation Total:	**34,650**	**48,975**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

NATIONWIDE AUTOMATIC IDENTIFICATION SYSTEM (NAIS) $11,238

Project Description, Justification and Scope

The mission of the Nationwide Automatic Identification System (NAIS) is to develop and install a nationwide infrastructure to detect, identify, track and exchange information with vessels operating AIS in or approaching U.S. waters. NAIS will leverage the full capability of AIS-technology to enhance U.S. Coast Guard and Department of Homeland Security (DHS) operational mission performance to protect the public and to serve national maritime interests.

The Maritime Transportation Security Act of 2002 (46 USC §70113) directed DHS to implement a system to collect, integrate and analyze information concerning certain vessels operating in or bound for waters subject to the jurisdiction of the United States. NAIS will support this Congressional requirement and will serve as a centerpiece to the Coast Guard and DHS' effort to build Maritime Domain Awareness (MDA) as described in the National Plan to Achieve Maritime Domain Awareness and will contribute to the successful execution of the National Strategy for Maritime Security, Homeland Security Presidential Direction (HSPD)-13.

NAIS is expected to consist of a system of AIS receivers, transmitters, transceivers, repeaters and other equipment located on shore-side installations and remote platforms potentially including buoys, offshore platforms, aircraft and spacecraft as needed to receive, distribute, and use the information transmitted by vessels that operate AIS equipment and transmit data to these vessels. Some of this equipment already exists as interim capability, and the Coast Guard will leverage as much of the interim capability as possible to complete the NAIS project.

NAIS will send and receive AIS messages, via a Very High Frequency (VHF) data link, to and from AIS equipped vessels, Aids to Navigation, and Search and Rescue (SAR) aircraft. NAIS will leverage several types of platforms (including existing government resources to the extent possible) to support AIS receive and transmit infrastructure. While some support receive-only capabilities (e.g., satellites, buoys, and aircraft), others may support receive and transmit capabilities (e.g., towers and platforms). AIS message data will be transported between system components over a Wide-Area Network (WAN) and diverse, remote site connectivity.

NAIS will process (e.g., validate, filter, etc.) and store the data. Some NAIS functions may require integrating with existing systems. These systems, while not part of NAIS, are included in the context of the systems' operations. Primarily, it is expected that these systems (e.g., Ports and Waterways Safety System [PAWSS], Sector Command Centers [SCC], Maritime Information Safety and Law Enforcement [MISLE], Vessel Traffic Services [VTS]) will provide data processing functions (e.g., vessel tracking correlation, intelligence processing, anomaly detection) and user interfaces necessary to meet all the requirements for fully using AIS data.

NAIS will complement other surveillance and intelligence systems greatly aiding the essential process of identifying vessels requiring further investigation and action. NAIS information will be displayed in the Coast Guard's national maritime Common Operational Picture (COP) and shared, along with correlated data and intelligence as appropriate, with Deepwater assets and other Federal agencies. Unclassified portions of the COP will also be available to state and local government port partners in support of security and safety operations. This information will be invaluable to agencies, such as Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and the Transportation Security Administration (TSA), as it will provide real-time location data on all major cargo and other commercial vessels in the maritime domain.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
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(dollars in thousands)

NATIONWIDE AUTOMATIC IDENTIFICATION SYSTEM (NAIS) $11,238

The funding requested supports management and execution of the multi-year NAIS project. Funding provided in FY 2007 will be used for initial implementation of the production system providing full AIS capability beginning in Tier I, II and III strategic ports or in other ports and critical coastal areas of the country where some AIS capability does not already exist. This potentially includes areas such as Baltimore, MD; Philadelphia, PA; Savannah, GA; Portland, OR; Chicago, IL; Freeport, TX and Port Canaveral, FL.

Significant Changes

The NAIS project office has implemented AIS in Vessel Traffic System (VTS) Puget Sound and VTS San Francisco, thereby ensuring all Coast Guard VTSs are AIS capable. Additionally, several prototype systems have been implemented by the project in advance of the full NAIS deployment. The prototype efforts include AIS installations in Alaska, on Gulf of Mexico offshore platforms and on several National Data Buoy Center weather buoys, and creation of a centralized server for AIS data at the Coast Guard Operations Systems Center (OSC). Collectively, these efforts are providing useful information for the nationwide design and advance operational AIS capability in many areas of the country.

The NAIS project is performing market research as part of the concept and technology development phase of the Coast Guard and DHS major acquisition process. The NAIS project office has issued two Requests for Information (RFIs) and conducted follow-on industry meetings with those who replied to the RFIs. Currently, the NAIS project office is analyzing the information provided to determine capabilities within the market to satisfy the Coast Guard NAIS requirements, and to establish an optimal acquisition strategy.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Design/Planning	FY06:Q1	FY06:Q4			3,490
Primary Equipment			FY06:Q1	FY06:Q4	18,044
Project Management			FY06:Q1	FY06:Q4	2,226
FY 2007					
Primary Equipment			FY07:Q1	FY07:Q4	8,638
Project Management			FY07:Q1	FY07:Q4	2,600
Satellite			FY07:Q1	FY07:Q4	0

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
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(dollars in thousands)

NATIONWIDE AUTOMATIC IDENTIFICATION SYSTEM (NAIS) $11,238

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	23,800	24,000	23,760	11,238	82,798
Obligation	17,507	6,856	11,824	33,818	70,005
Expenditure	4,681	9,279	6,300	16,838	37,098
Breakdown of Project Expenditures					
Construction / Acquisition	4,181	5,573	2,772	15,538	28,064
Survey, Design & Engineering	200	2,956	2,488	300	5,944
Project Management	300	750	1,040	1,000	3,090

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Begin implementation of NAIS capabilities in tier I, II, and III strategic ports and critical coastal areas of the country where some AIS capability does not already exist. This potentially includes areas such as Baltimore, MD; Philadelphia, PA; Savannah, GA; Portland, OR; Chicago, IL; Freeport, TX and Port Canaveral, FL.	8,638
Project Management	
Project Management	
Contractor Project Support	2,500
Project Admin/Testing/Oversight	100
FY 2007 Cost Estimate Project Total:	**11,238**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
Operations and Maintenance	3,000
Follow-On Requirements Total:	**3,000**

Method of Performance

The NAIS project is in the Concept and Technology Development phase of the major acquisition process. As such, the Acquisition Project Baseline (APB) for cost, schedule and performance has not yet been established. The APB will be established at the next key decision point, upon Alternative Selection, targeted for third quarter of FY 2006.

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(dollars in thousands)

NATIONWIDE AUTOMATIC IDENTIFICATION SYSTEM (NAIS) **$11,238**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	2,757	1,166
Marine Safety	1,921	772
Aids to Navigation	3,964	1,602
Ice Operations	556	235
Marine Environmental Protection	791	294
Living Marine Resources	2,462	928
Drug Interdiction	2,520	1,554
Migrant Interdiction	783	595
Other Law Enforcement	201	167
Ports, Waterways & Coastal Security	6,216	3,012
Defense Readiness	1,589	913
Mission-Program Allocation Total:	**23,760**	**11,238**

Compliance with Public Laws, Regulations, Standards & Executive Orders

None to report.

U.S. COAST GUARD JUSTIFICATION
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(dollars in thousands)

RESCUE 21 **$39,600**

Project Description, Justification and Scope

The Rescue 21 project represents a quantum leap in technology, enhancing effectiveness across all coastal missions. The VHF-FM short-range communication system is the backbone of the Coast Guard's National Distress and Response System (NDRS). The basic components of NDRS include radios, transceivers, towers for antennas and an interconnecting network. It is the foundation for coastal Search and Rescue (SAR), and the last line of defense for Maritime Homeland Security (MHS). Rescue 21:

- Eliminates many existing gaps ("dead zones") while ensuring continuous, enhanced VHF-FM (line-of-site) marine radio coverage out to 20 nautical miles from shore in the coastal zone (from a low-powered 1-watt transmission); higher-powered radios may be heard even farther offshore.
- Features a digital voice recording capability with immediate playback, improving the ability to review and decipher garbled or unclear transmissions - critical to search and rescue planning and response.
- Provides greatly improved direction finding capability (within two compass degrees) for more timely response to mariners in distress.
- Increases the number of voice and data channels from one to six, allowing watch standers to conduct multiple operations, while offering protected (secure) communications for Law Enforcement and MHS operations when needed.
- Offers asset tracking capabilities to streamline coordination of rescues, while also increasing the safety of our own crews.

Helps provide a Common Operational Picture (COP) that will assist in Maritime Domain Awareness (MDA) by maintaining communications with mariners, and by facilitating the timely flow of information between the Coast Guard and other government and law enforcement agencies.

Funds requested for FY 2007 will specifically accomplish the following tasks:

System Design:
- Woods Hole, MA
- Boston, MA

Infrastructure Preparation:
- New Orleans, LA
- Charleston, SC
- Fort Macon, NC
- Cape Hatteras, NC

System Installation:
- New Orleans, LA
- Astoria, OR
- North Bend, OR
- Portland, OR
- Baltimore, MD
- Hampton Roads, VA
- Philadelphia, PA

U.S. COAST GUARD JUSTIFICATION
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(dollars in thousands)

RESCUE 21 **$39,600**

Significant Changes

The Rescue 21 Project has recently realized several important milestones:

- The project delivered the first fully operational systems to Atlantic City, NJ and Chincoteague, VA, on Dec. 20, 2005.
- The Department of Homeland Security in 2005 granted approval for the project to enter full rate production of the ground sub-system.
- Low Rate Initial Production systems planned to be installed and tested in FY 2006 are Mobile, AL, St. Petersburg, FL, Seattle, WA and Port Angeles, WA.
- Additional Full Production Regions in FY 2006 include Key West, FL, Miami, FL, and Mayport, FL.

Rescue 21 is already saving lives:

- A mobile Disaster Recovery System (DRS), a component of Rescue 21, was deployed to restore communications with mariners in the Pt. Sulphur region of Louisiana after Hurricane Katrina struck. The DRS is still providing communications support for the area.
- A recent SAR case in Ocean City Inlet, Md. (Nov. 13, 2005) demonstrated the value of the enhanced VHF-FM radio coverage and direction-finding capability of the system leading to the rapid rescue of three fishermen from a capsized vessel. The system pinpointed the precise latitude/longitude of the capsized vessel, despite the fact the original distress call reported the position of the boat to be nearly three miles from its actual location.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Primary Equipment/System & Installation			FY06:1Q	FY06:4Q	29,506
Project Admin (training,travel, misc.)			FY06:1Q	FY06:4Q	2,300
Cost Plus CLINs (adjustment)			FY06:1Q	FY06:4Q	3,484
Project/Technical Support			FY06:1Q	FY06:4Q	5,300
FY 2007					
Primary Equipment/System & Installation			FY07:1Q	FY07:4Q	25,900
Project Admin (training,travel, misc.)			FY07:1Q	FY07:4Q	1,800
Project/Technical Support			FY07:1Q	FY07:4Q	11,900

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(dollars in thousands)

RESCUE 21 **$39,600**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	285,500	94,000	40,590	39,600	459,690
Obligation	198,568	165,028	56,709	39,604	459,909
Expenditure	158,078	42,591	43,004	53,757	297,430
Breakdown of Project Expenditures					
Construction / Acquisition	59,743	32,730	33,047	41,310	166,830
Survey, Design & Engineering	32,655		4,534	5,668	42,857
Project Management	6,818	4,378	2,154	2,693	16,043
Project Administration	27,600	5,483	3,269	4,086	40,438
Phase 1 Contract	31,262				31,262

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
System Design, Infrastructure Preparation and System Installation:	26,433
Cape Hatteras, New Orleans, Boston	
Astoria, North Bend, Portland, Mayport, Baltimore	
Woods Hole, Boston, Fort Macon	
Charleston, Hampton Roads, Philadelphia	
Leases	3,500
Survey, Design & Engineering	
Fish and Wildlife Service	117
Environmental Support	1,500
SPAWAR	1,000
Project Management	
Project Support Agents (Contractor Support)	4,800
DCAA/DCMA Support	150
Project Resident Office Support (FTE)	300
Other Costs	
Travel	1,300
Admin	500
FY 2007 Cost Estimate Project Total:	**39,600**

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(dollars in thousands)

RESCUE 21 **$39,600**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
None to report in FY07	

Method of Performance

The System Integration Contractor provides monthly Cost Performance Reports (CPR) in accordance with DID DI-MGMT-81466/T, which is based on an approved Earned Value System. These reports allow the Coast Guard to examine the contractor's cost and schedule estimates, variances, and projections for completion.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	4,412	4,111
Marine Safety	3,521	2,721
Aids to Navigation	6,576	5,643
Ice Operations	883	828
Marine Environmental Protection	1,006	1,037
Living Marine Resources	3,583	3,268
Drug Interdiction	5,322	5,477
Migrant Interdiction	2,109	2,096
Other Law Enforcement	603	587
Ports, Waterways & Coastal Security	9,852	10,613
Defense Readiness	2,723	3,219
Mission-Program Allocation Total:	**40,590**	**39,600**

U.S. COAST GUARD JUSTIFICATION
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FY 2007 C-Stage
(dollars in thousands)

HIGH FREQUENCY (HF) RECAPITALIZATION **$2,475**

Project Description, Justification and Scope

This initiative recapitalizes the Coast Guard's High Frequency (HF) communications system, including replacement of 44 twenty-five-year-old, unserviceable, shore-side, high power HF transmitters. This FY 2007 request will partially fund the recapitalization of the HF communications system as part of a multiple-year installation schedule. As a signatory nation of the International Safety Of Life At Sea (SOLAS) treaty, the United States is required to continuously monitor several HF emergency and distress channels to respond to at-sea emergencies and requests for assistance, and to provide warnings to ships relating to "...gales, storms, and tropical storms" by radio messages. This information is provided by the Coast Guard via HF transmitters in the form of text and fax messages. Existing HF transmitters are available for operational use only 72 percent of the time due to the frequency of failure, far from meeting the 95 percent availability industry standard. Maintenance of the existing HF system is no longer a viable option because spare parts are no longer being manufactured for these obsolete radios. Excessive system downtime and subsequent lack of adequate HF communications coverage prevents the Coast Guard from consistently meeting United States SOLAS obligations. Without system recapitalization continuing in FY 2007, the Coast Guard will be unable to meet SOLAS mandates regarding HF communications by the end of CY 2008, when existing transmitters are predicted to completely fail based on the current trend of equipment casualty.

Unfortunately, many of these HF requirements cannot be accomplished or replaced with satellite communication (SATCOM) systems. Not all Coast Guard vessels and aircraft have SATCOM capability, and satellite coverage is not available in all Coast Guard operating areas. Replacement of shore-side, high power HF radios will improve effectiveness through increased system reliability, throughput, and reduced operating and maintenance costs. It will also increase interoperability with international commercial maritime and distress systems, SOLAS and non-SOLAS vessels, and DHS, DOD, allied and other government assets, thus contributing to the integrated, interoperable maritime security screening system envisioned in the Maritime Strategy for Homeland Security.

Significant Changes

There was no funding requested in the previous budget submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Purchase HF Equipment			FY02:Q1	FY10:Q4	1,235
Install HF Equipment			FY02:Q1	FY10:Q4	1,020
Engineering			FY02:Q1	FY10:Q4	37
Spare Parts			FY02:Q1	FY10:Q4	175
Course Fees			FY02:Q1	FY10:Q4	8

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FY 2007 C-Stage
(dollars in thousands)

HIGH FREQUENCY (HF) RECAPITALIZATION **$2,475**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Appropriation	4,000			2,475	6,475
Obligation	4,000				4,000
Expenditure	4,000			2,475	6,475
Breakdown of Project Expenditures					
Construction / Acquisition	2,740			1,410	4,150
Survey, Design & Engineering	1,200			1,020	2,220
Project Management	60			45	105

Cost Estimate Detail & Changes

Funding Requirement Description	**FY 2007 Cost Estimate**
Construction / Acquisition	
Replace inoperable or most-damaged units first.	2,475
FY 2007 Cost Estimate Project Total:	**2,475**

Related Follow-On Requirements

Follow-On Requirement Description	**FY 2007 Cost Estimate**
Operations and Maintenance	150
Follow-On Requirements Total:	**150**

Method of Performance

Contract oversight for the procurement of these radios lies with Customs and Border Patrol (CBP); the Coast Guard procures these radios from CBP through this contract.

Performance of the new transmitters will be measured by the success rate of HF communications. Two basic measures are used: 1) the availability to make a transmission (is the transmitter working) and 2) feedback from the maritime public on whether or not the transmission was received.

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(dollars in thousands)

HIGH FREQUENCY (HF) RECAPITALIZATION **$2,475**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	257
Marine Safety	170
Aids to Navigation	353
Ice Operations	52
Marine Environmental Protection	65
Living Marine Resources	204
Drug Interdiction	342
Migrant Interdiction	131
Other Law Enforcement	37
Ports, Waterways & Coastal Security	663
Defense Readiness	201
Mission-Program Allocation Total:	**2,475**

Compliance with Public Laws, Regulations, Standards & Executive Orders

Compliance with International Convention of Safety of Life at Sea (SOLAS), Chapter IV; Communications Act of 1934, as amended; 47 USC Title III Part II and III; implemented in 47 CFR 80.801. 46 USC 4502/4506; implemented in 46 CFR 28.245; U.S. Navy requirement for HF broadcast capability for U.S. Maritime Operations; Coast Guard assignment as National Coordinator for Broadcast Notice to Mariners (BNM) and National Emergency HF Network requirement.

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(dollars in thousands)

NATIONAL CAPITAL REGION AIR DEFENSE (NCRAD) - AC&I **$48,510**

Project Description, Justification and Scope

This project represents the first of a two-year project to acquire a total of seven HH65C additional helicopters to support the NCRAD mission. This request will provide funding to acquire the first five helos, including the costs of the airframes, engines, avionics and equipment that match current USCG HH65C helicopter configurations. The Coast Guard is still investigating whether it will be more cost-effective to purchase new helos or to buy used airframes and convert them. This request also includes funding for aircraft Ground Support Equipment (GSE) and necessary tools.

The five helos purchased with this request will be based out of Coast Guard Air Station Atlantic City, NJ. Three of these aircraft will be forward deployed to Reagan Washington National Airport with two crews on strip alert. The remaining two of five aircraft will be located at Air Station Atlantic City to support training and unit maintenace requirments. In addition to these five aircraft, two more will be needed in the future to indirectly support the NCRAD mission. One will be assigned to Coast Guard Aviation Training Center Mobile, AL to support increased fleetwide HH65 training requirements and the last helo will be a support aircraft, assigned to Program Depot Level Maitenance (PDM).

This AC&I project also funds the shore facilities needed to support additional aircrews required for five additional HH-65C helicopters to be based at Air Station Atlantic City, NJ. This request funds the construction of additional hangar, office and parking space at the air station. Air Station Atlantic City facilities are needed to accomodate the newly-assigned helicopters and maintenance personnel.

Primary responsibility for air defense of the NCRAD rests with DOD under OPERATION NOBLE EAGLE. Within the Department of Defense, the North American Aerospace Defense Command (NORAD) is responsible for execution of the air defense mission. The U.S. Coast Guard has been selected as the agency within DHS to execute the NCR air defense mission for low / slow flyers.

Significant Changes

There was no previous budget submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Convert 5 airframes to USCG HH-65C helos	FY07:Q1	FY07:Q1	FY07:Q1	FY07:Q1	31,870
GSE to accommodate add'l airframes	FY07:Q1	FY07:Q1	FY07:Q1	FY07:Q1	140
Purchase 5 HH-65 variant airframes	FY07:Q1	FY07:Q1	FY07:Q1	FY07:Q1	13,500
Construct additional hangar & office space	FY07:Q1	FY07:Q1	FY07:Q1	FY07:Q4	3,000

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

NATIONAL CAPITAL REGION AIR DEFENSE (NCRAD) - AC&I **$48,510**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation				48,510	48,510
Obligation				48,510	48,510
Expenditure				48,510	48,510
Breakdown of Project Expenditures					
Construction / Acquisition				48,510	48,510

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Purchase 5 HH65 type airframes	13,500
Convert 5 helos to fully equipped/missionized USCG HH65C helos	31,870
Ground Support Equipment (GSE)	140
Construct additional hangar and office space at Air Station Atlantic City, NJ	3,000
FY 2007 Cost Estimate Project Total:	**48,510**

Method of Performance

The acquisition and conversion contracts will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contracts.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	16,537
Marine Safety	158
Aids to Navigation	787
Ice Operations	2,205
Marine Environmental Protection	3,938
Living Marine Resources	4,095
Drug Interdiction	5,670
Migrant Interdiction	4,725
Other Law Enforcement	315
Ports, Waterways & Coastal Security	9,450
Defense Readiness	630
Mission-Program Allocation Total:	**48,510**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

NATIONAL CAPITAL REGION AIR DEFENSE (NCRAD) - AC&I **$48,510**

Compliance with Public Laws, Regulations, Standards & Executive Orders

DOD requested DHS provide a capability for low/slow flyer intercept under OPERATION NOBLE EAGLE to ensure unity of command. As a result, DHS determined USCG is the best resource for this mission. DHS authorizes direct liaison between Coast Guard and DoD for OPERATION NOBLE EAGLE requirements. Coast Gurad integrates into OPERATION NOBLE EAGLE Concept of Operations (CONOP), plans, protocols and exercises. Coast Guard NCRAD aviation assets will operate under Tactical Control (TACON) of DOD.

Coast Guard HH-65Cs and associated aircrews will provide two aircraft/aircrews on five-minute strip alert at all times at Reagan Washington National Airport's Signature Aviation hanger. Alert crews will stand 12-hour watches in support of OPERATION NOBLE EAGLE.

The primary mission is to determine intent and compel intercepted aircraft to clear/depart NCR protected airspace. USCG aircraft will only escort intercepted aircraft to landing locations when specifically directed to do so by TACON. The Department of Homeland Security's Customs and Border Protection (CBP) directorate will coordinate with the USCG for an orderly transition and assumption of the NCR mission.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

COUNTER-TERRORISM (CT) TRAINING INFRASTRUCTURE - SHOOTHOUSE $1,683

Project Description, Justification and Scope

This request provides for the construction of a shoothouse training facility at Camp Lejeuene, NC, for the Special Mission Training Center (SMTC) to use to train the Maritime Security Response Team (MSRT).

The MSRT relies on interagency support and conducts a majority of its required training at Camp Lejuene's training center. However, Camp Lejuene's training throughput is expanding rapidly with the recent establishment of the Marine Corps Special Operations Forces command; shooter training throughput will increase by at least 450 Marines. Included in the Coast Guard's FY 2007 Operating Expense (OE) request is funding for the addition of a third Direct Action Section (DAS) for MSRT, which provides the personnel for a 24 x 7 response capability. A MSRT with three DAS's requires training approximately four days per week (160 days/year). Additionally, an Advanced Tactics Operations Course (ATOC), Basic Tactics Operational Course (BTOC) and Tactical Training Course (TTC) are also required, adding another 60-70 training days/year; the Coast Guard's total annual shoothouse requirement equates to more than 220 days/year. The Coast Guard has received outstanding support from the Marine Corps at Camp Lejeune, but the Marines' training needs will supercede the Coast Guard's, resulting in a shortfall of at least six months of shoothouse facility training time per year. Therefore, in order for the MSRT to be assured facility availability to meet its required training, this AC&I request provides funds to build a shoothouse at Camp Lejeune.

In addition to the overall availability concerns, the new shoothouse will also greatly improve the MSRT's ability to train and maintain proficiency in Close Quarters Combat (CQC) skills. The current facility at Camp Lejeune is one floor, and therefore, cannot support Advanced Tactics Training, which includes multi-floor, stairwell incursion, mechanical breaching, live ballistic breaching and other advanced techniques. The current facility has no ventilation for lead exposure and has no video capability (post exercise replay for lessons learned analysis). The current facility has concrete walls with no ballistic arresting capability; therefore, live ammo cannot be used. Live ammo is needed on at least 20% of CQC training for penetration planning and execution training.

The MSRT has gained valuable knowledge and expertise while training with Marine Corps forces at Camp Lejeune; constructing a facility for the MSRT in the same location would not only accommodate the team's facility needs, but would foster an ever greater, more positive relationship with the Department of Defense (DOD), one of the partner agencies supporting the development of the MSRT. As one of the few training facilities in the Nation that provides this type of waterborne specialized training, much could be gained by having Coast Guard and DOD forces training together.

In summary, this request addresses a critical range availability issue for MSRT. This is a critical training infrastructure issue for the MSRT.

Significant Changes

There was no previous budget submission.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

COUNTER-TERRORISM (CT) TRAINING INFRASTRUCTURE - SHOOTHOUSE **$1,683**

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Construction of Shoothouse @ SMTC	FY07: Q1	FY07: Q2	FY07: Q2	FY08: Q4	1,683

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation				1,683	1,683
Obligation				1,683	1,683
Expenditure				1,683	1,683
Breakdown of Project Expenditures					
Construction / Acquisition				1,500	1,500
Survey, Design & Engineering				150	150
Project Management				33	33

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Construction and equipment for shoothouse	1,500
Survey, Design & Engineering	
Survey, design and drawings for shoothouse	150
Project Management	
Project management/oversight and management reserve	33
FY 2007 Cost Estimate Project Total:	**1,683**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
Operations and maintenance funds	23
Follow-On Requirements Total:	**23**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

COUNTER-TERRORISM (CT) TRAINING INFRASTRUCTURE - SHOOTHOUSE **$1,683**

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	0
Marine Safety	0
Aids to Navigation	0
Ice Operations	0
Marine Environmental Protection	0
Living Marine Resources	0
Drug Interdiction	0
Migrant Interdiction	0
Other Law Enforcement	0
Ports, Waterways & Coastal Security	1,683
Defense Readiness	0
Mission-Program Allocation Total:	**1,683**

Compliance with Public Laws, Regulations, Standards & Executive Orders

Nothing significant to report.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

SURVEY & DESIGN **$2,600**

Project Description, Justification and Scope

The Coast Guard's FY2007 survey and design budget proposal includes survey and design funding essential to the following AC&I shore projects:

- Station Fire Island — Waterfront rehab. Project will replace portions of wharf, piers, and construct new wave barrier. ($260K)
- CGC HICKORY — River tender cutter support bldg. Project will provide 2,300 general square footage of shops, storage and admin space for cutter support team. ($100K)
- PACAREA — Establish Bay Area Sector Command Center (SCC). Project will provide a new sector command center operations center. ($750K)
- ISC Alameda — Bay Area Sector Command building. Project will consolidate Sector command functions for the San Francisco Bay Area. ($950K)
- Group Cape May — Consolidate Station/Aids to Navigation Team (ANT) Facility. Project will provide new consolidated station and ANT facilities. ($100K)
- Group Woods Hole — Replace admin bldg, Phase I. Project will replace and right-size station and ANT facilities. ($100K)
- Air Sta Elizabeth City — Admin/office/shops building. Project will consolidate several aviation functions into one facility. ($100K)
- AC&I Admin Expenses ($240K)

Funding will provide in-house capability for planning and engineering studies, project design, master plans, appraisals, real property requirements and other architectural/engineering efforts.

Project survey, planning and design are essential to the efficient management and execution of the shore capitalization and investment program. Completing proper planning and design helps to ensure that major AC&I projects are properly assessed, planned and prioritized prior to seeking project appropriations. The projects supported by this request contribute to the long-range plans and support of operational units. This request also funds the contract administration/project management for shore construction projects in the minor AC&I program.

Significant Changes

Funding, although requested, was not provided in the FY06 appropriation for survey and design projects.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

SURVEY & DESIGN **$2,600**

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Station Fire Island rehab waterfront	FY07:Q1	FY07:Q1			260
CGC Hickory cutter support bldg, AK	FY07:Q1	FY07:Q1			100
PACAREA Bay Area Sector Command Center	FY07:Q1	FY07:Q1			750
ISC Alameda Sector Command building	FY07:Q1	FY07:Q1			950
Group Cape May consolidate Station/ANT	FY07:Q1	FY07:Q1			100
Group Woods Hole consolidate Sta/ANT	FY07:Q1	FY07:Q1			100
Air Station Elizabeth City consolidation	FY07:Q1	FY07:Q1			100
AC&I admin expenses	FY07:Q1	FY07:Q4			240

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	19,485	1,000		2,600	23,085
Obligation	19,485	1,000		2,600	23,085
Expenditure	19,485	1,000		2,600	23,085
Breakdown of Project Expenditures					
Survey, Design & Engineering	19,485	1,000		2,600	23,085

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Survey, Design & Engineering	
Station Fire Island rehab waterfront	260
CGC Hickory cutter support bldg, AK	100
PACAREA Bay Area Sector Command Center	750
ISC Alameda Sector Command building	950
Group Cape May consolidate Station/ANT	100
Group Woods Hole consloidate Station/ANT	100
Air Station Elizabeth City consolidation	100
AC&I admin expenses	240
FY 2007 Cost Estimate Project Total:	**2,600**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

SURVEY & DESIGN **$2,600**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
There is no OE follow-on for this project in FY07.	

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	274
Marine Safety	216
Aids to Navigation	422
Ice Operations	53
Marine Environmental Protection	65
Living Marine Resources	227
Drug Interdiction	344
Migrant Interdiction	137
Other Law Enforcement	37
Ports, Waterways & Coastal Security	650
Defense Readiness	175
Mission-Program Allocation Total:	**2,600**

Compliance with Public Laws, Regulations, Standards & Executive Orders

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

MINOR AC&I SHORE CONSTRUCTION PROJECTS **$2,850**

Project Description, Justification and Scope

This program provides funds for minor AC&I shore facility construction projects. These projects are less complex and require less advance planning than their major AC&I counterparts. The overall cost for minor AC&I shore facility projects range between $750,000 and $1,500,000. Planned projects for FY 2007 are as follows:

a. Station Fire Island, New York waterfront rehabilitation ($1.4M). This project will (1) replace portions of the existing wharf and piers, (2) renew electrical, water and sewage shore ties and (3) construct a new steel wave barrier.

b. CGC HICKORY cutter support building, Alaska ($1.45M). This project provides 2,300 general square footage of storage, shop and administrative spaces for a cutter support team assigned to CGC HICKORY.

Significant Changes

Funding for minor AC&I shore construction projects, although requested, was not provided in the FY06 appropriation.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Station Fire Island, NY Waterfront Rehab Project	FY07:Q1	FY07:Q3	FY07:Q1	FY07:Q4	1,400
CGC HICKORY Cutter Support Bldg	FY07:Q1	FY07:Q3	FY07:Q1	FY07:Q4	1,450

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	20,830	1,600		2,850	25,280
Obligation	20,830	1,600		2,850	25,280
Expenditure	20,830	1,600		2,850	25,280
Breakdown of Project Expenditures					
Construction / Acquisition	18,910	1,450		2,850	23,210
Survey, Design & Engineering	1,920	150			2,070

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

MINOR AC&I SHORE CONSTRUCTION PROJECTS **$2,850**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Station Fire Island, NY Waterfront Rehab Project	1,400
CGC HICKORY Cutter Support Bldg	1,450
FY 2007 Cost Estimate Project Total:	**2,850**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
There is no FY07 increment for OE follow-on for this project.	

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	301
Marine Safety	237
Aids to Navigation	462
Ice Operations	59
Marine Environmental Protection	71
Living Marine Resources	248
Drug Interdiction	376
Migrant Interdiction	151
Other Law Enforcement	41
Ports, Waterways & Coastal Security	713
Defense Readiness	191
Mission-Program Allocation Total:	**2,850**

Compliance with Public Laws, Regulations, Standards & Executive Orders

This project will comply with the National Environmental Policy Act (NEPA).

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

STATION NEAH BAY BREAKWATER COMPLETION — $1,100

Project Description, Justification and Scope

This request provides funding for the completion of the Station Neah Bay breakwater project. Station Neah Bay is located on the Straits of Juan de Fuca in Puget Sound, WA. During the winter months, deep sea swells, combined with wind driven waves, produce a highly unstable and hazardous environment for Coast Guard small boats moored at the station's 700 foot pier.

A recent wind and wave study performed at Station Neah Bay determined that the breakwater should be 30 feet longer than originally planned. Therefore, this request includes funds for construction of an additional 30 feet of breakwater so that the breakwater can adequately and effectively protect Coast Guard boats moored at Station Neah Bay.

Significant Changes

The lack of Survey and Design funding in FY 2006 necessitated the need to fund survey and design requirements directly from project funds. Requested funding will allow for the completion of the project as originally planned, as well as provide for the construction of the additional 30 feet of breakwater.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Construction			FY06: Q3	FY07: Q4	2,574
Survey and Design	FY06:Q1	FY06:Q2			198
FY 2007					
Construction			FY07: Q2	FY07:Q4	1,000
Survey and Design	FY07: Q1	FY07: Q1			100

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation			2,772	1,100	3,872
Obligation			2,772	1,100	3,872
Expenditure			198	3,674	3,872
Breakdown of Project Expenditures					
Construction / Acquisition				3,574	3,574
Survey, Design & Engineering			198	100	298

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

STATION NEAH BAY BREAKWATER COMPLETION **$1,100**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Breakwater Construction	1,000
Survey, Design & Engineering	
Survey and Design	100
FY 2007 Cost Estimate Project Total:	**1,100**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
There is no FY07 increment for OE follow-on for this project.	

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	FY 2007
Search and Rescue	301	116
Marine Safety	240	91
Aids to Navigation	449	178
Ice Operations	60	23
Marine Environmental Protection	69	28
Living Marine Resources	245	96
Drug Interdiction	364	145
Migrant Interdiction	144	58
Other Law Enforcement	41	16
Ports, Waterways & Coastal Security	673	275
Defense Readiness	186	74
Mission-Program Allocation Total:	**2,772**	**1,100**

Compliance with Public Laws, Regulations, Standards & Executive Orders

This project will comply with the National Environmental Policy Act (NEPA).

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

ISC SEATTLE AND SECTOR OPERATIONS FACILITY, PHASE II **$2,600**

Project Description, Justification and Scope

This budget request is intended to complete the Coast Guard Sector Puget Sound shore operations building and command center, essential to maintaining, monitoring and orchestrating operations throughout the region. The request was prompted by evolving and increasing command and control requirements in the post 9-11 era. The Coast Guard received $16 million to construct the Seattle shore operations building beginning FY 2003. Specifically, this funding will enable the Coast Guard to construct/equip the Sector Puget Sound facility to meet the additional requirements to support Maritime Domain Awareness (MDA) including:

- Unclassified voice and data systems;
- Classified Local Area Network (LAN) connectivity; and
- Re-location of Rescue 21 equipment, legacy voice radio communications, secure spaces, Incident Command Post (ICP) and watch equipment

Funding will also provide the Command, Control, Communications, Computers and Information Technology (C4IT) necessary for a seamless transition from existing equipment to minimize the off-air time of the Sector Command Center.

Significant Changes

There were no funds requested in FY06 for this project.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Complete Constr. & Outfitting Ops/Admin			FY07:Q1	FY07:Q4	2,600

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	16,000			2,600	18,600
Obligation		16,000		2,600	18,600
Expenditure		3,000	13,000	2,600	18,600
Breakdown of Project Expenditures					
Construction / Acquisition		1,700	13,000	2,600	17,300
Survey, Design & Engineering		1,300			1,300

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

ISC SEATTLE AND SECTOR OPERATIONS FACILITY, PHASE II **$2,600**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Complete Construction & Outfitting - Ops/Admin	2,600
FY 2007 Cost Estimate Project Total:	**2,600**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
There is no FY07 increment for OE follow-on for this project.	

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	274
Marine Safety	216
Aids to Navigation	422
Ice Operations	53
Marine Environmental Protection	65
Living Marine Resources	227
Drug Interdiction	344
Migrant Interdiction	137
Other Law Enforcement	37
Ports, Waterways & Coastal Security	650
Defense Readiness	175
Mission-Program Allocation Total:	**2,600**

Compliance with Public Laws, Regulations, Standards & Executive Orders

This project will comply with the National Environmental Policy Act (NEPA).

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

REBUILD STATION & WATERFRONT AT BASE GALVESTON, PHASE I $5,200

Project Description, Justification and Scope

This two-phase project will replace the existing, obsolete station building and small boat moorings at Station Galveston, TX, with a fully functional, multi-mission facility and small boat moorings. Funding requested in phase I will replace station facilities with a 13,500 gross square footage multi-purpose station building, including new shops, command center, administrative spaces and watch stander berthing. Phase II includes: (1) replacing existing small boat moorings (circa 1950) with covered 47' Motor Life Boat (MLB) moorings; (2) renovating/replacing the wharf, boat ramps and piers; and (3) dredging the boat basin, which has silted in over time.

The current station building, a converted boathouse built in 1937, is substandard and lacks adequate space for assigned vessels. Numerous OSHA violations have been documented. The existing mooring, constructed in the early 1950's, have reached the end of their useful service lives, and there is no existing fender system to protect the piers or the vessels. This project will provide appropriately sized facilities, enhance the station's ability to perform maintenance on their vessels, and provide a better work environment for station personnel.

Significant Changes

There was no previous budget submission for this project.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Rebuild Station			FY07:Q2	FY08:Q2	4,600
Survey & Design	FY07:Q1	FY07:Q1			600

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation				5,200	5,200
Obligation				5,200	5,200
Expenditure				4,300	4,300
Breakdown of Project Expenditures					
Construction / Acquisition				3,700	3,700
Survey, Design & Engineering				600	600

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

REBUILD STATION & WATERFRONT AT BASE GALVESTON, PHASE I **$5,200**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Rebuild Station	4,600
Survey, Design & Engineering	
Survey, Design, Engineering and KN Inspection	600
FY 2007 Cost Estimate Project Total:	**5,200**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
This is no OE follow-on for this project in FY07.	

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	536
Marine Safety	354
Aids to Navigation	776
Ice Operations	108
Marine Environmental Protection	135
Living Marine Resources	426
Drug Interdiction	714
Migrant Interdiction	273
Other Law Enforcement	77
Ports, Waterways & Coastal Security	1,383
Defense Readiness	418
Mission-Program Allocation Total:	**5,200**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

SECTOR LONG ISLAND SOUND MULTI PURPOSE BUILDING COMPLETION **$1,000**

Project Description, Justification and Scope

This project will complete the renewal of the former Group-Marine Safety Office (MSO) building in New Haven, CT. The current facility is deteriorated and functionally obsolete. The health and safety violations within the existing facility are significant, including sprayed asbestos ceilings, vinyl asbestos floor tiles and asbestos insulation throughout the building. Additionally, the building was originally designed as a barracks facility; however, this building now serves as the Sector Long Island Sound operational command center and main administrative building. A new facility is required to provide the multi-purpose functionality necessary to coordinate operations and provide administrative oversight across the Sector area of responsibility.

This project will provide Sector Long Island Sound personnel with a new facility that eliminates the serious health and safety violations present in the current building, while providing a right-sized, functional working environment for Sector personnel.

Significant Changes

Due to a lack of survey and design funding in fiscal year 2006, it was necessitated that the Coast Guard fund these requirements directly from appropriated project funds. As a result, this project was split into two phases to complete work deferred from the original project to account for survey and design requirements.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
New Sector Command Center Building			FY2006 Q4	FY2007 Q4	8,910
Survey and Design	FY2006 Q1	FY2006 Q3			990
FY 2007					
Buildout of New Sector Building First Floor			FY2007 Q1	FY2008 Q2	900
Survey and Design	FY2007 Q1	FY2007 Q1			100

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

SECTOR LONG ISLAND SOUND MULTI PURPOSE BUILDING COMPLETION **$1,000**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Appropriation			9,900	1,000	10,900
Obligation			9,900	1,000	10,900
Expenditure			990	9,910	10,900
Breakdown of Project Expenditures					
Construction / Acquisition				9,810	9,810
Survey, Design & Engineering			990	100	1,090

Cost Estimate Detail & Changes

Funding Requirement Description	**FY 2007 Cost Estimate**
Construction / Acquisition	
Build-out of New Sector Building First Floor	900
Survey, Design & Engineering	
Survey and Design and Construction Inspection	100
FY 2007 Cost Estimate Project Total:	**1,000**

Related Follow-On Requirements

Follow-On Requirement Description	**FY 2007 Cost Estimate**
There is no fiscal year 2007 increment for OE follow-on for this project.	

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

SECTOR LONG ISLAND SOUND MULTI PURPOSE BUILDING COMPLETION **$1,000**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	1,076	105
Marine Safety	859	83
Aids to Navigation	1,604	162
Ice Operations	215	21
Marine Environmental Protection	246	25
Living Marine Resources	874	87
Drug Interdiction	1,298	132
Migrant Interdiction	514	53
Other Law Enforcement	147	14
Ports, Waterways & Coastal Security	2,403	250
Defense Readiness	664	68
Mission-Program Allocation Total:	**9,900**	**1,000**

Compliance with Public Laws, Regulations, Standards & Executive Orders
This project will comply with the National Environmental Policy Act (NEPA).

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

COAST GUARD HOUSING - CORDOVA, AK **$5,500**

Project Description, Justification and Scope

This program funds prioritized capital acquisition renovation, rehabilitation, modernization and/or replacement housing projects. Specifically, FY2007 funding will complete phase I of a two-phased housing recapitalization project in Cordova, AK. Phase I will allow for site preparation work; phase II will entail construction of 13-duplex housing units. These properties will provide modern, reliable accommodations for Coast Guard personnel and their families. In addition, this project will correct the resident privacy, housing separation, and environmental safety conditions associated with the existing Coast Guard housing in Cordova, AK.

Specifically, phase I entails clearing the existing site, leveling the land for construction and laying/preparing necessary utility lines. This is the full extent of work that can be accomplished during the short Alaska building season. Phase I will adequately prepare the site for phase II construction planned for the following Alaska construction season. The Coast Guard already owns the land for this project.

In June 2003, a Coast Guard housing needs assessment substantiated requirements to construct new housing units in Cordova, AK due to the extremely poor condition of existing Coast Guard housing and the lack of adequate local community housing for personnel to rent or buy. Specifically, a Cordova Housing Market Survey Analysis, by Runzheimer International, found that the Cordova, AK "rental market is incapable of providing sufficient adequate family housing for USCG personnel." Coast Guard housing adequacy criteria include cost, environmental safety, suitability elements (size, number of bedrooms, condition) and commuting factors (time, distance, and cost).

Former Coast Guard District 17 and Maintenance and Logistics Command Pacific Commanders have cited the Coast Guard owned housing in Cordova, AK as the worst Coast Guard housing they have ever seen. Specific problems with existing housing include:

a. Lead based paint (primarily in door casings) and asbestos-containing construction materials have been found in the units. An Environmental Risk Assessment in 1998 deemed intact lead paint and asbestos not to be a hazard, but tenants are notified of its presence when they take occupancy. It is the Coast Guard's objective to provide new housing in Cordova before lead and asbestos contaminants become a hazard to tenants.

b. Equal elevation: Existing housing units are directly parallel row house construction built on a very small parcel, resulting in extreme density of 18 units per acre and little/no privacy. Neighbors can see directly into and through one another's quarters, causing residents to close their shades, exacerbating the interior darkness and sense of being closed in. As stated above, these conditions will be eliminated with the construction of the new, planned Cordova housing units.

c. Extreme density of current housing results in very difficult winter access due to snow buildup between units. As stated above, these conditions will be eliminated with the construction of the new, planned Cordova housing units.

d. Existing housing units are constructed on fill within muskeg bog wetlands, creating additional personnel risks due to household mold, etc. The new construction is sited/designed to ensure that proper drainage occurs.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

COAST GUARD HOUSING - CORDOVA, AK **$5,500**

Significant Changes
No previous submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2007					
Initial site work for Cordova, AK Phase I			FY07:Q2	FY07:Q3	5,000
Survey and Design	FY07:Q1	FY07:Q1			500

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation				5,500	5,500
Obligation				5,500	5,500
Expenditure				5,500	5,500
Breakdown of Project Expenditures					
Construction / Acquisition				5,000	5,000
Survey, Design & Engineering				500	500

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Initial Site work for Cordova, AK Phase I	5,000
Survey, Design & Engineering	
Survey, Design, KN Inspection	500
FY 2007 Cost Estimate Project Total:	**5,500**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
There is no FY07 increment for OE follow-on for this project.	

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

COAST GUARD HOUSING - CORDOVA, AK **$5,500**

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2007
Search and Rescue	580
Marine Safety	456
Aids to Navigation	892
Ice Operations	113
Marine Environmental Protection	138
Living Marine Resources	479
Drug Interdiction	727
Migrant Interdiction	290
Other Law Enforcement	78
Ports, Waterways & Coastal Security	1,375
Defense Readiness	372
Mission-Program Allocation Total:	**5,500**

Compliance with Public Laws, Regulations, Standards & Executive Orders

This project will comply with the National Environmental Policy Act (NEPA).

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

CHASE HALL BARRACKS PHASE I - (ANNEX E) COMPLETION $2,000

Project Description, Justification and Scope

This request completes the Chase Hall Phase I (Annex E) portion of a multi-phase project to renovate Chase Hall barracks at the U. S. Coast Guard Academy. Phase I of this project funds construction of a four-story Annex E wing. Prior year funding allowed the build-out of 111 rooms in this 150 room wing. This FY2007 funding request will build-out the top floor of this new Annex E wing of Chase Hall, providing the final 39 berthing rooms under this project. Follow-on phases will renovate all existing wings (A-D) of Chase Hall.

The continued decline of Chase Hall barracks is well documented. Examples of recurring problems with physical plant include deteriorated/failing heating, plumbing and electrical subsystems. The facility's condition is adversely affecting the quality of life for Academy Cadets, Officer Candidates, and Leadership School attendees. Ultimately, these problems will negatively impact the Coast Guard's ability to recruit outstanding new leaders to Officer Candidate School and the Academy.

Significant Changes

Due to a lack of survey and design funding in FY2006, it was necessary for the Coast Guard to fund these requirements directly from appropriated project funds. As a result, Chase Hall (Annex E) Phase I was split into two segments to complete work deferred for survey and design purposes with funds requested in this budget submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Chase Hall construct new Annex E			FY2006:Q4	FY2008:Q2	13,761
Survey and Design	FY2006:Q1	FY2006:Q4			1,089
FY 2007					
Chase Hall build-out of top floor Annex E			FY2007 Q1	FY2008 Q2	1,700
Survey and Design	FY2007 Q1	FY2007 Q1			300

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

CHASE HALL BARRACKS PHASE I - (ANNEX E) COMPLETION **$2,000**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Appropriation			14,850	2,000	16,850
Obligation			14,850	2,000	16,850
Expenditure			4,850	10,000	14,850
Breakdown of Project Expenditures					
Construction / Acquisition			3,761	9,700	13,461
Survey, Design & Engineering			1,089	300	1,389

Cost Estimate Detail & Changes

Funding Requirement Description	**FY 2007 Cost Estimate**
Construction / Acquisition	
Chase Hall build-out of top floor Annex E	1,700
Survey, Design & Engineering	
Survey and Design	300
FY 2007 Cost Estimate Project Total:	**2,000**

Related Follow-On Requirements

Follow-On Requirement Description	**FY 2007 Cost Estimate**
There is no OE follow-on for this project in FY07.	

Method of Performance

Construction contract will be monitored by the project manager to ensure compliance with the requirements stated in the performance work statement of the contract.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

CHASE HALL BARRACKS PHASE I - (ANNEX E) COMPLETION **$2,000**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	1,614	211
Marine Safety	1,288	166
Aids to Navigation	2,406	324
Ice Operations	323	41
Marine Environmental Protection	368	50
Living Marine Resources	1,311	174
Drug Interdiction	1,947	264
Migrant Interdiction	772	106
Other Law Enforcement	221	28
Ports, Waterways & Coastal Security	3,604	500
Defense Readiness	996	136
Mission-Program Allocation Total:	**14,850**	**2,000**

Compliance with Public Laws, Regulations, Standards & Executive Orders
This project will comply with the National Environmental Policy Act (NEPA).

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

WATERWAYS ATON INFRASTRUCTURE **$3,000**

Project Description, Justification and Scope

This request establishes, maintains, repairs and improves transportation on U.S. waterways, through construction and improvements to buoys and structures which assist in navigation. Waterways infrastructure projects require funding on an annual basis to properly meet navigational safety requirements in conjunction with U. S. Army Corps of Engineers (ACOE) projects, and to address aging/failing/damaged aids to navigation (AtoN). For example, major ACOE projects in the Houston/Galveston area, which has a heavy volume of oil tanker traffic, cannot be made fully operational without the addition of navigational aids. In recent years, a number of critical AtoN structures in the Delaware River and Chesapeake Bay have been heavily damaged in recent years by ice and are on the verge of failure. These waterways projects promote safe, efficient marine transportation, which is an integral component of our nation's transportation system and essential to the health and well-being of our economy. Planned FY2007 projects are as follows:

Project	Location
05-00-035	Beverly Range, PA
05-95-008	Delaware Bay and River
05-97-016	Sharps Island LT, MD
08-01-057	Baytown- Houston Ship Canal, TX
07-99-042	Key West, FL
08-04-026	St Andrew Bay, FL
13-98-033	Grays harbor, WA
17-03-019	Portland Canal, AK

Significant Changes

The FY2007 requests represents a $861K decrease from FY2006, as a result of a re-allocation of limited available shore funding to higher priority projects.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Relocate/Install New Aids (ACOE project)	FY06:Q1	FY06:Q2	FY06:Q3	FY07:Q3	3,861
FY 2007					
Relocate/Install New Aids (ACOE project)	FY07:Q1	FY07:Q2	FY07:Q3	FY08:Q3	3,000

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

WATERWAYS ATON INFRASTRUCTURE **$3,000**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	20,096	800	3,861	3,000	27,757
Obligation		800	3,861	3,000	7,661
Expenditure	18,482	800	3,861	3,000	26,143
Breakdown of Project Expenditures					
Construction / Acquisition	17,317	752	3,477	2,700	24,246
Survey, Design & Engineering	604	24	287	200	1,115
Project Management	561	24	97	100	782

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Construction / Acquisition	
Construction of fixed structures/acquisition of equipment	2,700
Survey, Design & Engineering	
Fixed structures	200
Project Management	
Inspections	100
FY 2007 Cost Estimate Project Total:	**3,000**

Related Follow-On Requirements

Follow-On Requirement Description	FY 2007 Cost Estimate
Short Range Aids to Navigation maintenance	146
Follow-On Requirements Total:	**146**

Method of Performance

This construction project will be monitored by the project officer to ensure compliance with the requirements stated in the performance work statement of the contract.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

WATERWAYS ATON INFRASTRUCTURE **$3,000**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	Budget Allocation FY 2007
Search and Rescue	420	316
Marine Safety	335	249
Aids to Navigation	625	486
Ice Operations	84	62
Marine Environmental Protection	96	75
Living Marine Resources	341	262
Drug Interdiction	506	396
Migrant Interdiction	201	158
Other Law Enforcement	57	43
Ports, Waterways & Coastal Security	937	750
Defense Readiness	259	203
Mission-Program Allocation Total:	**3,861**	**3,000**

Compliance with Public Laws, Regulations, Standards & Executive Orders

None.

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

AC&I DIRECT PERSONNEL COSTS **$80,500**

Project Description, Justification and Scope

This request funds the salaries, compensation and support costs (including annual pay raise and COLA) for personnel who manage, execute and administer multi-year funded projects within the Acquisition, Construction and Improvements (AC&I) Program. The requested funding level will support 652 FTE (344 military, 308 civilian). The personnel will support projects being requested in this budget submission, as well as prior year funded AC&I projects, by performing planning, design, engineering, contracting, project management, quality assurance and logistics support activities. This ensures the products and services acquired through the AC&I program are completed on time, on budget and in compliance with performance requirements.

$1.730M of this request is for three-quarters of the FY07 pay raises at 2.2%. The remaining $6.5M request over the enacted FY06 level of $72.270M will be applied to new FTE. Specifically, $3M for 22 FTE is needed for new positions conducting oversight and management of the Deepwater acquisition project. From FY1999 to FY06 the AC&I appropriation grew 221% ($395M to $1,269M) with only a 52% increase in AC&I personnel funding ($48.5M to $73.5M), which includes pay raises and COLA increases. The GAO, which has been reviewing the Deepwater program since 2001, has continually cited the lack of personnel management and oversight as an area of deep concern (GAO Reports: 01-564, 04-380, 04-636T, 04-695, 05-651T and 05-757). As outlined in GAO report 04-380, lack of staffing is threatening the Deepwater program, "...staffing shortfalls have contributed to the problems...such as the struggle to keep pace with workload..." The remaining $3.5M will be used to fill existing positions, including closing the AC&I personnel vacancy rate from 12% to 7%.

Significant Changes

There is no significant change since the previous budget submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Direct Personnel Costs			FY06:Q1	FY06:Q4	72,270
FY 2007					
Direct Personnel Costs			FY07:Q1	FY07:Q4	80,500

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

AC&I DIRECT PERSONNEL COSTS **$80,500**

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	**FY 2005**	**FY 2006**	**FY 2007**	**Total**
Appropriation	252,082	72,500	72,270	80,500	477,352
Obligation	252,082	71,800	72,270	80,500	476,652
Expenditure	252,082	71,800	72,270	80,500	476,652
Breakdown of Project Expenditures					
Direct Personnel Costs	252,082	71,800	72,270	80,500	476,652

Cost Estimate Detail & Changes

Funding Requirement Description	**FY 2007 Cost Estimate**
Other Costs	
Direct Personnel Costs	80,500
FY 2007 Cost Estimate Project Total:	**80,500**

Related Follow-On Requirements

Follow-On Requirement Description	**FY 2007 Cost Estimate**
None	

Budget Allocation to Mission-Program

	Budget Allocation	
U.S. Coast Guard Mission-Program	**FY 2006**	**FY 2007**
Search and Rescue	9,289	10,373
Marine Safety	951	933
Aids to Navigation	1,636	1,756
Ice Operations	622	410
Marine Environmental Protection	1,331	1,148
Living Marine Resources	12,754	14,406
Drug Interdiction	20,457	22,647
Migrant Interdiction	7,177	7,540
Other Law Enforcement	2,657	3,351
Ports, Waterways & Coastal Security	11,156	13,030
Defense Readiness	4,240	4,906
Mission-Program Allocation Total:	**72,270**	**80,500**

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

AC&I CORE **$500**

Project Description, Justification and Scope

This funding is necessary to cover costs associated with project overhead activities for major acquisition projects. The primary initiatives include contract support for financial management services, contracting support services, training and workforce certification. The funding allows the Coast Guard to maintain an effective acquisition process by providing AC&I resources that are not project-specific. Resources are needed to maintain core competencies and capabilities necessary to execute assigned workload while meeting various requirements established in the Chief Financial Officer Act, Clinger-Cohen Act, DHS certification level requirements and OMB Circular A-76.

Significant Changes

There is no significant change from the previous budget submission.

Project Schedule

	Dates by Fiscal Year & Quarter				
	Design Work		Project Work		Total Estimate
Project Description	Initiated	Completed	Initiated	Completed	Cost
FY 2006					
Management Travel & Supplies			FY06:Q1	FY06:Q4	150
Financial Mgt Support			FY06:Q1	FY06:Q4	200
Human Resource Requirements			FY06:Q1	FY06:Q4	150
FY 2007					
Management Travel & Supplies			FY07:Q1	FY07:Q4	90
Financial Mgt Support			FY07:Q1	FY07:Q4	320
Human Resource Requirements			FY07:Q1	FY07:Q4	90

Schedule of Project Funding

	Project Funds				
	FY 2004 & Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation	3,450	500	495	500	4,945
Obligation	2,950	500	495	500	4,445
Expenditure	2,950	500	495	500	4,445
Breakdown of Project Expenditures					
Project Management	2,950	500	495	500	4,445

U.S. COAST GUARD JUSTIFICATION
ACQUISITION, CONSTRUCTION & IMPROVEMENTS
FY 2007 C-Stage
(dollars in thousands)

AC&I CORE **$500**

Cost Estimate Detail & Changes

Funding Requirement Description	FY 2007 Cost Estimate
Other Costs	
Management Travel and Supplies	90
Financial Mgt Support	320
Human Resource Requirements	90
FY 2007 Cost Estimate Project Total:	**500**

Budget Allocation to Mission-Program

U.S. Coast Guard Mission-Program	Budget Allocation FY 2006	FY 2007
Search and Rescue	64	64
Marine Safety	7	6
Aids to Navigation	11	11
Ice Operations	4	2
Marine Environmental Protection	9	7
Living Marine Resources	87	90
Drug Interdiction	140	141
Migrant Interdiction	49	47
Other Law Enforcement	18	21
Ports, Waterways & Coastal Security	77	81
Defense Readiness	29	30
Mission-Program Allocation Total:	**495**	**500**

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Vessels & Critical Infrastructure
Funding Schedule
(Dollars in Thousands)

Vessels & Critical Infrastructure		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	204	615	286	(330)
22.0	Transportation of things	19	58	27	(31)
23.1	GSA rent	-	-	-	-
23.2	Other rent	41	124	58	(67)
23.3	Communication, utilities, and misc charges	36	110	51	(59)
24.0	Printing and reproduction	0	1	0	(1)
25.1	Advisory and assistance services	12,847	38,841	18,019	(20,822)
25.2	Other services	5,312	16,061	7,451	(8,610)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	0	0	0	(0)
26.0	Supplies and materials	616	1,862	864	(998)
31.0	Equipment	549	1,659	770	(890)
32.0	Land and structures	1,015	3,068	1,423	(1,644)
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**20,640**	**62,400**	**28,949**	**(33,451)**
Full Time Equivalents		-	-	-	-

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

Summary Justification and Explanation of Changes

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 204	$ 615	$ 286	$ (330)

Travel includes all costs of transportation of persons, subsistence of travelers and incidental travel expenses in accordance with Federal travel regulations. Specifically, funds transport of personnel in support of training, project management and oversight of the Response Boat - Medium Project.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 19	$ 58	$ 27	$ (31)

Transportation of things includes all costs of the care of such things while in process of being transported and other services incident to the transportation of things. Specifically, funding provides for shipment of goods, equipment, supplies and materials to support completion of AC&I projects.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 41	$ 124	$ 58	$ (67)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.).

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 36	$ 110	$ 51	$ (59)

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 0	$ 1	$ 0	$ (1)

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Funding includes charges associated with publication of Coast Guard training manuals, operational instructions, reports and other Coast Guard directives.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 12,847	$ 38,841	$ 18,019	$ (20,822)

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 5,312	$ 16,061	$ 7,451	$ (8,610)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 616	$ 1,862	$ 864	$ (998)

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 549	$ 1,659	$ 770	$ (890)

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,015	$ 3,068	$ 1,423	$ (1,644)

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Integrated Deepwater Systems
Funding Schedule
(Dollars in Thousands)

Integrated Deepwater Systems		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	7,462	12,133	10,785	(1,349)
22.0	Transportation of things	697	1,134	1,008	(126)
23.1	GSA rent	-	-	-	-
23.2	Other rent	1,507	2,451	2,179	(272)
23.3	Communication, utilities, and misc charges	1,337	2,175	1,933	(242)
24.0	Printing and reproduction	11	18	16	(2)
25.1	Advisory and assistance services	471,551	764,902	680,634	(84,268)
25.2	Other services	194,725	316,633	281,438	(35,195)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	0	0	0	(0)
26.0	Supplies and materials	22,579	36,715	32,634	(4,081)
31.0	Equipment	20,118	32,713	29,077	(3,636)
32.0	Land and structures	37,193	60,478	53,755	(6,722)
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**757,181**	**1,229,353**	**1,093,459**	**(135,894)**
Full Time Equivalents		-	-	-	-

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

Summary Justification and Explanation of Changes

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 7,462	$ 12,133	$ 10,785	$ (1,349)

Travel funds cover the travel costs of Coast Guard employees, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 request includes increases in annualizations, terminations and other base adjustments.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 697	$ 1,134	$ 1,008	$ (126)

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Specifically, funding supports the shipment of military member's household goods in conjunction with Permanent Change of Station (PCS) moves.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,507	$ 2,451	$ 2,179	$ (272)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.).

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,337	$ 2,175	$ 1,933	$ (242)

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 11	$ 18	$ 16	$ (2)

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Funding includes charges associated with publication of Coast Guard training manuals, operational instructions, reports and other Coast Guard directives.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 471,551	$ 764,902	$ 680,634	$ (84,268)

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 194,725	$ 316,633	$ 281,438	$ (35,195)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 22,579	$ 36,715	$ 32,634	$ (4,081)

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 20,118	$ 32,713	$ 29,077	$ (3,636)

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska. The FY 2007 request includes increases in annualizations and terminations and other base adjustments.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 37,193	$ 60,478	$ 53,755	$ (6,722)

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Aircraft
Funding Schedule
(Dollars in Thousands)

Aircraft		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	376	331	-	(331)
22.0	Transportation of things	35	31	-	(31)
23.1	GSA rent	-	-	-	-
23.2	Other rent	76	67	-	(67)
23.3	Communication, utilities, and misc charges	67	59	-	(59)
24.0	Printing and reproduction	1	1	-	(1)
25.1	Advisory and assistance services	23,743	20,884	-	(20,884)
25.2	Other services	9,818	8,635	-	(8,635)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	0	0	-	(0)
26.0	Supplies and materials	1,138	1,001	-	(1,001)
31.0	Equipment	1,014	892	-	(892)
32.0	Land and structures	1,875	1,649	-	(1,649)
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**38,144**	**33,550**	**-**	**(33,550)**
Full Time Equivalents		-	-	-	-

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

Summary Justification and Explanation of Changes

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 376	$ 331	$ -	$ (331)

Travel funds cover the travel costs of Coast Guard employees, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 request includes increases in annualizations, terminations and other base adjustments.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 35	$ 31	$ -	$ (31)

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Specifically, funding supports the shipment of military member's household goods in conjunction with Permanent Change of Station (PCS) moves.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 76	$ 67	$ -	$ (67)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.).

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 67	$ 59	$ -	$ (59)

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1	$ 1	$ -	$ (1)

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Funding includes charges associated with publication of Coast Guard training manuals, operational instructions, reports and other Coast Guard directives.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 23,743	$ 20,884	$ -	$ (20,884)

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 9,818	$ 8,635	$ -	$ (8,635)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,138	$ 1,001	$ -	$ (1,001)

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,014	$ 892	$ -	$ (892)

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,875	$ 1,649	$ -	$ (1,649)

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Other Equipment
Funding Schedule
(Dollars in Thousands)

Other Equipment		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	1,629	686	1,194	508
22.0	Transportation of things	152	64	112	47
23.1	GSA rent	-	-	-	-
23.2	Other rent	329	139	241	103
23.3	Communication, utilities, and misc charges	292	123	214	91
24.0	Printing and reproduction	2	1	2	1
25.1	Advisory and assistance services	102,778	43,324	75,358	32,034
25.2	Other services	42,498	17,914	31,160	13,246
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	0	0	0	0
26.0	Supplies and materials	4,928	2,077	3,613	1,536
31.0	Equipment	4,391	1,851	3,219	1,369
32.0	Land and structures	8,117	3,422	5,952	2,530
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**165,116**	**69,601**	**121,065**	**51,464**
Full Time Equivalents		-	-	-	-

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

Summary Justification and Explanation of Changes

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,629	$ 686	$ 1,194	$ 508

Travel funds cover the travel costs of Coast Guard employees, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 request includes increases in annualizations, terminations and other base adjustments.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 152	$ 64	$ 112	$ 47

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Specifically, funding supports the shipment of military member's household goods in conjunction with Permanent Change of Station (PCS) moves.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 329	$ 139	$ 241	$ 103

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.).

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 292	$ 123	$ 214	$ 91

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs.

Printing and reproduction

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 2	$ 1	$ 2	$ 1

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. Funding includes charges associated with publication of Coast Guard training manuals, operational instructions, reports and other Coast Guard directives.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 102,778	$ 43,324	$ 75,358	$ 32,034

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 42,498	$ 17,914	$ 31,160	$ 13,246

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 4,928	$ 2,077	$ 3,613	$ 1,536

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 4,391	$ 1,851	$ 3,219	$ 1,369

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 8,117	$ 3,422	$ 5,952	$ 2,530

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Shore Facilities & Aids To Navigation
Funding Schedule
(Dollars in Thousands)

Shore Facilities & Aids To Navigation		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	52	321	298	(23)
22.0	Transportation of things	5	30	28	(2)
23.1	GSA rent	-	-	-	-
23.2	Other rent	10	65	60	(5)
23.3	Communication, utilities, and misc charges	9	58	53	(4)
24.0	Printing and reproduction	0	0	0	(0)
25.1	Advisory and assistance services	3,252	20,275	18,820	(1,455)
25.2	Other services	1,345	8,384	7,782	(602)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	0	0	0	(0)
26.0	Supplies and materials	156	972	902	(70)
31.0	Equipment	139	866	804	(62)
32.0	Land and structures	257	1,601	1,486	(115)
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**5,225**	**32,573**	**30,235**	**(2,338)**
Full Time Equivalents		-	-	-	-

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

Summary Justification and Explanation of Changes

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 52	$ 321	$ 298	$ (23)

Travel funds cover the travel costs of Coast Guard employees, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 request includes increases in annualizations, terminations and other base adjustments.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 5	$ 30	$ 28	$ (2)

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Specifically, funding supports the shipment of military member's household goods in conjunction with Permanent Change of Station (PCS) moves.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 10	$ 65	$ 60	$ (5)

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.).

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 9	$ 58	$ 53	$ (4)

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 3,252	$ 20,275	$ 18,820	$ (1,455)

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 1,345	$ 8,384	$ 7,782	$ (602)

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 156	$ 972	$ 902	$ (70)

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 139	$ 866	$ 804	$ (62)

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 257	$ 1,601	$ 1,486	$ (115)

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Acquisition, Construction and Improvements
Personnel & Related Support
Funding Schedule
(dollars in thousands)

Personnel & Related Support		2005 * Actual	2006 * Revised Enacted	2007 * Request	2006 to 2007 Change
Object Classes					
11.1	Full-time permanent	23,002	25,331	27,397	2,066
11.3	Other than full-time permanent	927	1,021	1,104	83
11.5	Other personnel compensation	242	266	287	21
11.7	Military personnel	26,692	25,714	27,454	1,740
11.8	Special service pay	50	55	59	4
12.1	Civilian personnel benefits	5,812	6,401	6,923	522
12.2	Military personnel benefits	2,238	2,156	2,302	146
13.0	Benefits-former	134	130	139	9
21.0	Travel	143	115	151	36
22.0	Transportation of things	13	11	14	3
23.1	GSA rent	-	-	-	-
23.2	Other rent	29	23	31	7
23.3	Communication, utilities, and misc charges	26	21	27	6
24.0	Printing and reproduction	0	0	0	0
25.1	Advisory and assistance services	8,418	7,277	9,545	2,268
25.2	Other services	3,740	3,009	3,947	938
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	0	0	0	0
26.0	Supplies and materials	434	349	458	109
31.0	Equipment	386	311	408	97
32.0	Land and structures	714	575	754	179
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 73,000**	**$ 72,765**	**$ 81,000**	**$ 8,235**
Full Time Equivalents		**616**	**616**	**652**	**36**

* These numbers are estimates only; the Coast Guard is currently working to improve its processes to effectively capture costs via object class, with an accurate correlation to PPA. FY07 represents the first year the Coast Guard has displayed numbers in this fashion. FY06 actuals will provide us accurate base data for projections in future budgets. In addition, these numbers do not reflect supplementals received.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 59,097	$ 61,074	$ 65,665	$ 4,591

Salaries and benefits funds provide for compensation directly related to duties performed for the Coast Guard by active duty military personnel. This includes costs for 40,262 FTE. The FY 2007 request includes funding for the proposed pay raise, medical benefits, other mandatory personnel entitlements and program increases (371 FTE increase over FY06).

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 143	$ 115	$ 151	$ 36

Travel funds cover the travel costs of Coast Guard employees, while in an authorized travel status, either directly or by reimbursing the traveler. The FY 2007 request includes increases in annualizations, terminations and other base adjustments.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 13	$ 11	$ 14	$ 3

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. Specifically, funding supports the shipment of military member's household goods in conjunction with Permanent Change of Station (PCS) moves.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 29	$ 23	$ 31	$ 7

Other rent includes all payments to a non-Federal source for rental space, land, and structures. Funding supports lease renewals for facilities (e.g. office space, waterfront/mooring facilities, equipment storage and maintenance facilities, etc.).

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 26	$ 21	$ 27	$ 6

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. Specifically, funding includes data connectivity costs for Coast Guard shore facilities, cutters, and aircraft, utility costs including shore facility utilities and cutter, boat and aircraft fuel requirements, and postal costs.

Advisory and assistance services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 8,418	$ 7,277	$ 9,545	$ 2,268

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Specifically, funding supports contracted training and services to repair/maintain Coast Guard operational assets and facilities.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 3,740	$ 3,009	$ 3,947	$ 938

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. Specifically, funding supports contracted consultant services such as training manuals, architectural and engineering services, independent/third-party analysis of Coast Guard programs is support of the President's Management Agenda and Program Assessment Rating Tool and other initiatives focused on improving performance of Coast Guard missions.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 434	$ 349	$ 458	$ 109

Supplies and materials are primarily defined as commodities that are ordinarily consumed or expended within one year after they are put into use. Specifically, funding supports procurement of consumable supplies aboard Coast Guard operational and shore support units including tools, spare part inventories for cutters, boats, aircraft, and supporting computer and communication systems, fuel required to conduct Coast Guard operations, janitorial materials, subsistence and administrative supplies. The FY 2007 request includes increases in annualizations and terminations and other base adjustments.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 386	$ 311	$ 408	$ 97

This object class covers the purchase of capitalized and non-capitalized assets. For example, this object class enables the Coast Guard to purchase furniture for the cadets at the Coast Guard Academy and survival suits for the rescue swimmers deployed to the frigid waters of Alaska.

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 714	$ 575	$ 754	$ 179

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

United States Coast Guard

Alteration of Bridges

Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard
Alteration of Bridges

I. Appropriation Overview

A. Mission Statement for Acquisition, Construction and Improvements:

The alteration of unreasonably obstructive bridges maintains navigational safety and freedom of mobility to facilitate commerce, emergency response vessels and government vessels of the United States by providing sufficient clearances for the type of vessels that transit through the bridge. Without this effort, there is greater risk of fatalities and allisions, longer transit times, negative impact on regional and national economies, negative impact on response times for emergency vessels and government vessels of the United States, increased waterway and highway/railway closures due to accidents.

B. Budget Activities:

Bridge projects supported with this funding will serve our Aids to Navigation mission.

C. Budget Request Summary:

The Coast Guard is not requesting funding for alteration of bridges in FY 2007.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Alteration of Bridges
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1. Alteration of Bridges	-	$ 16,601	-	$ 14,850	-	$ -	-	$ (14,850)	-	$ -	-	$ (14,850)
Subtotal, Enacted Appropriations and Budget Estimates	-	$ 16,601	-	$ 14,850	-	$ -	-	$ (14,850)	-	$ -	-	$ (14,850)
Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	-	$ 16,601	-	$ 14,850	-	$ -	-	$ (14,850)	-	$ -	-	$ (14,850)

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III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Alteration of Bridges
Program Performance Justification
(Dollars in Thousands)

PPA I: ALTERATION OF BRIDGES

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$16,601**
2006 Revised Enacted	...	...	**14,850**
2007 Adjustments-to-Base			(14,850)
2007 Current Services	...	...	**0**
2007 Program Change	...	...	...
2007 Request	...	...	**0**
Total Change 2006-2007	...	...	(14,850)

The Coast Guard does not request any funding for this activity in FY 2007. This is a decrease of $14.9 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Alteration of Bridges program provides the Federal government's share of the costs for altering or removing bridges determined to be obstructions to navigation. Alteration of obstructive highway bridges is eligible for funding from the Federal-Aid to Highways Program. Under the Truman-Hobbs Act of 1940, (33 U.S.C. 511et seq.), the Coast Guard shares, with the bridge owner, the cost of altering railroad and publicly-owned highway bridges which obstruct the free movement of vessel traffic. In addition, the U. S. Coast Guard exercises administrative control over the construction, maintenance and operation of bridges across navigable waters in the United States.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Environmental Compliance and Restoration Appropriation Language

[For necessary expenses for alteration or removal of obstructive bridges, $14,850,000, to remain available until expended]. *(Department of Homeland Security Appropriations Act, 2006)*.

Explanation of Changes:

No funding is requested.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Alteration of Bridges
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	**16,601**
2006 Revised Enacted	-	-	**14,850**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	-	-	-
2007 Pay Raise	-	-	-
Non-Pay Inflation	-	-	-
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	-
Decreases			
Termination of one-time costs	-	-	(14,850)
Management and Technology Efficiencies	-	-	-
Total Decreases	-	-	(14,850)
Total Adjustments-to-Base	-	-	**(14,850)**
2007 Current Services	-	-	-
Program Changes			
Program Increases/(Decreases)	-	-	-
Total Program Changes	-	-	-
2007 Request	-	-	-
2006 to 2007 Total Change	-	-	**(14,850)**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Alteration of Bridges Appropriation
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	FTE	Amount
2005 Actual	-	-	$ 16,601
2006 Revised Enacted	-	-	$ 14,850
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	-	-	$ -
Increases	-	-	$ -
Decreases	-	-	$ (14,850)
Total Adjustments-to-Base	-	-	$ (14,850)
2007 Current Services	-	-	$ -
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	$ -
2007 Total Request	-	-	$ -
2006 to 2007 Total Change	-	-	$ (14,850)

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Project	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Chelsea Street Bridge (Chelsea, MA)	-	-	$ 2,475	-	-	$ (2,475)	-	-	$ -	-	-	$ -	-	-	$ (2,475)
Canadian Pacific Railroad Bridge (La Crosse, WI)	-	-	$ 1,980	-	-	$ (1,980)	-	-	$ -	-	-	$ -	-	-	$ (1,980)
Fourteen Mile Bridge (Mobile, AL)	-	-	$ 5,940	-	-	$ (5,940)	-	-	$ -	-	-	$ -	-	-	$ (5,940)
Galveston Railway Bridge (Galveston, TX)	-	-	$ 2,475	-	-	$ (2,475)	-	-	$ -	-	-	$ -	-	-	$ (2,475)
Burlington Northern Santa Fe Bridge (Burlington, IA)	-	-	$ 990	-	-	$ (990)	-	-	$ -	-	-	$ -	-	-	$ (990)
Elgin, Joliet and Eastern Railway Company Bridge (Morris, IL)	-	-	$ 990	-	-	$ (990)	-	-	$ -	-	-	$ -	-	-	$ (990)
Total Alteration of Bridges	-	-	$ 14,850	-	-	$ (14,850)	-	-	$ -	-	-	$ -	-	-	$ (14,850)

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Alteration of Bridges
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
	Total, Personnel Comp. & Benefits	**$ -**	**$ -**	**$ -**	**$ -**
Other Objects Classes:					
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	16,601	14,850	-	(14,850)
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	**$ 16,601**	**$ 14,850**	**$ -**	**$ (14,850)**
	Total Direct Obligations	**$ 16,601**	**$ 14,850**	**$ -**	**$ (14,850)**
	Unobligated balance, start of year	-	-	-	
	Unobligated balance, end of year	-	-	-	
	Total Requirements	**$ 16,601**	**$ 14,850**	**$ -**	
Note: Total direct obligations does not include advances and reimbursements					

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F. Permanent Positions by Grade

Not Applicable

CG-AB-10

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Alteration of Bridges
PPA I
Funding Schedule
(Dollars in Thousands)

Alteration of Bridges		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	16,601	14,850	-	(14,850)
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 16,601**	**$ 14,850**	**$ -**	**$ (14,850)**
Full Time Equivalents		-	-	-	-

PPA Mission Statement

The alteration of unreasonably obstructive bridges maintains navigational safety and freedom of mobility to facilitate commerce, emergency response vessels and government vessels of the United States by providing sufficient clearances for the type of vessels that transit through the bridge. Without this effort, there is greater risk of fatalities and allisions, longer transit times, negative impact on regional and national economies, negative impact on response times for emergency vessels and government vessels of the United States, increased waterway and highway/railway closures due to accidents.

Summary Justification and Explanation of Changes

Land and structures

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 16,601	$ 14,850	$ -	$ (14,850)

The Coast Guard is not requesting funding for alteration of bridges in FY 2007.

I. Schedule of Working Capital Fund

Not Applicable

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Department of Homeland Security

United States Coast Guard

Research, Development, Testing and Evaluation

Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard
Research, Development, Testing and Evaluation

I. Appropriation Overview

A. Mission Statement for Research, Development, Testing and Evaluation:

Research, Development, Test and Evaluation (RDT&E) will allow the Coast Guard to maintain its non-homeland security research and development capability, while also partnering and leveraging initiatives identified by the Department of Homeland Security (DHS) and the Department of Defense (DOD) for efforts beneficial to the Coast Guard, DHS, and DOD for homeland security missions.

B. Budget Activities:

Research, Development, Testing and Evaluation projects provide a direct benefit for our traditional missions that include Search and Rescue (SAR), Marine Safety, Aids to Navigation (AtoN), Ice Operations, Marine Environmental Protection (MEP), Living Marine Resources (LMR), Drug Interdiction and Other Law Enforcement.

C. Budget Request Summary:

The Coast Guard requests $13,860,000 in FY 2007 to develop technologies and systems to enhance Maritime Domain Awareness (MDA) and improve operational presence and response. Specific projects include the development of Sector Command Center (SCC) collaboration tools, the recovery of heavy oil, cold weather oil and hazardous material recovery technologies, and aquatic nuisance species remediation. Funding also supports program operations and maintenance costs (salaries, facility rent, utilities, etc.).

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Research, Development, Testing and Evaluation
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1 Research, Development, Testing and Evaluation	97	$ 26,566	102	$ 17,572	102	$ 13,860	-	$ (3,712)	-	$ -	-	$ (3,712)
Emergency Hurricane/GWOT/Tsunami Relief Supplemental		$ -		$ 525		$ -		$ (525)		$ -		$ (525)
Subtotal, Enacted Appropriations and Budget Estimates	97	$ 26,566	102	$ 18,097	102	$ 13,860	-	$ (4,237)	-	$ -	-	$ (4,237)
Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	97	$ 26,566	102	$ 18,097	102	$ 13,860	-	$ (4,237)	-	$ -	-	$ (4,237)

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III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Research, Development, Testing and Evaluation
Program Performance Justification
(Dollars in Thousands)

PPA I: RESEARCH, DEVELOPMENT, TESTING AND EVALUATIION

	Perm Pos	FTE	Amount
2005 Actual	**107**	**97**	**$26,566**
2006 Revised Enacted	**107**	**102**	**18,097**
2007 Adjustments-to-Base	...	...	(4,237)
2007 Current Services	**107**	**102**	**13,860**
2007 Program Change	...	...	0
2007 Request	**107**	**102**	**13,860**
Total Change 2006-2007	...	...	(4,237)

The Coast Guard requests $13.9 million for this activity. This is a decrease of $4.2 million from FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Coast Guard Research and Development (R&D) Program supports Coast Guard missions through the development of technologies and systems to enhance Maritime Domain Awareness (MDA) and improve operational presence and response.

FY 2007 funding requirements for the R&D Program are grouped in two categories: Non-Homeland Security (legacy mission) R&D and operations & maintenance costs (salaries, facility rent, utilities, etc.).

With requested funding, the Coast Guard Research and Development (R&D) Program will conduct MDA research and development in the following areas: Situational awareness, short and long-range sensing, underwater technology, compel compliance and boarding team capability. In addition, the Coast Guard R&D Program will conduct legacy mission projects in the following areas: Search and Rescue (SAR), aquatic nuisance species and spill response.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Research, Development, Test and Evaluation
Appropriation Language

For necessary expenses for applied scientific research, development, test, and evaluation, and for maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, [$18,097,000] ***$13,860,000***, to remain available until expended, of which [$2,000,000] ***$495,000*** shall be derived from the Oil Spill Liability Trust Fund to carry out the purposes of section 1012(a)(5) of the Oil Spill Pollution Act of 1990; *Provided*, that there may be credited to and used for the purposes of this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation. *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

Requested funding for RDT&E has been reduced in recognition of critical operational needs of the Coast Guard, and the on-going reimbursable work performed by the Research and Development Center for the DHS Science and Technology (S&T) Directorate.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Research Development Testing and Evaluation
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**107**	**97**	**26,566**
2006 Revised Enacted	**107**	**102**	**18,097**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	-	-	-
2007 Pay Raise	-	-	-
Non-Pay Inflation	-	-	-
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	-
Decreases			
Termination of one-time costs	-	-	(4,237)
Management and Technology Efficiencies	-	-	-
Total Decreases	-	-	(4,237)
Total Adjustments-to-Base	-	-	**(4,237)**
2007 Current Services	**107**	**102**	**13,860**
Program Changes			
Program Increases/(Decreases)	-	-	-
Total Program Changes	-	-	-
2007 Request	**107**	**102**	**13,860**
2006 to 2007 Total Change	-	-	**(4,237)**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Research, Development, Testing and Evaluation (RDT&E)
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	**FTE**	**Amount**
2005 Actual	**107**	**97**	**26,566**
2006 Revised Enacted	**107**	**102**	**18,097**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	-	-	-
Increases	-	-	-
Decreases	-	-	(4,237)
Total Adjustments-to-Base	-	-	**(4,237)**
-			
2007 Current Services	**107**	**102**	**13,860**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	-
2007 Total Request	**107**	**102**	**13,860**
2006 to 2007 Total Change	-	-	**(4,237)**

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
PPA 1	107	102	18,097	-	-	(4,237)	-	-	-	107	102	13,860	-	-	(4,237)
Total RDT&E	**107**	**102**	**18,097**	-	-	**(4,237)**	-	-	-	**107**	**102**	**13,860**	-	-	**(4,237)**

D. Summary of Reimbursable Resources

Department of Homeland Security
U. S. Coast Guard
Research, Development, Testing and Evaluation
Summary of Reimbursable Resources
(Dollars in Thousands)

	2005 Actual			2006 Estimate			2007 Request			Increase/Decrease		
Collections by Source	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**	**Pos.**	**FTE**	**Amount**
Agency 1 Dept of Homeland Security			7,089			6,250			5,000			(1,250)
Agency 2 Dept of the Navy			672			420			491			71
Agency 3 Joint Non-Lethal Weapons Directorate			380			380			444			64
Agency 4 Fire Research Industry Partners			20			20			23			3
Total Budgetary Resources			**8,161**			**7,070**			**5,958**			**(1,112)**

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Research Development Testing & Evaluation (RDT&E)
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	5,467	6,418	6,633	215
11.3	Other than full-time permanent	223	261	270	9
11.5	Other personnel compensation	71	84	87	3
11.7	Military personnel	2,121	2,150	2,187	37
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	1,354	1,590	1,643	53
12.2	Military personnel benefits	143	144	146	2
13.0	Benefits-former	-	-	-	-
	Total, Personnel Comp. & Benefits	**$ 9,379**	**$ 10,647**	**$ 10,966**	**$ 319**
Other Objects Classes:					
21.0	Travel	735	800	300	(500)
22.0	Transportation of things	38	41	25	(16)
23.1	GSA rent	-		-	-
23.2	Other rent	343	355	650	295
23.3	Communication, utilities, and misc charges	80	87	50	(37)
24.0	Printing and reproduction	-		-	-
25.1	Advisory and assistance services	-		-	-
25.2	Other services	27	29	200	171
25.3	Purchases of goods & svcs. from gov't accounts	150	163	100	(63)
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	6,782	7,380	900	(6,480)
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	37	565	215	(350)
25.8	Subsistence and support of persons	-		-	-
26.0	Supplies and materials	771	839	424	(415)
31.0	Equipment	63	69	30	(39)
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	**$ 9,026**	**$ 10,328**	**$ 2,894**	**$ (7,434)**
	Total Direct Obligations	**$ 18,405**	**$ 20,975**	**$ 13,860**	**$ (7,115)**
	Unobligated balance, start of year	(3,017)	(2,878)	-	
	Unobligated balance, end of year	3,112	-	-	
	Total Requirements	**$ 18,500**	**$ 18,097**	**$ 13,860**	

Note: Total direct obligations does not include advances and reimbursements

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Research, Development, Testing, and Evaluation - Military
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
O-10	-	-	-	-
O-9	-	-	-	-
O-8	-	-	-	-
O-7	-	-	-	-
O-6	2	2	2	-
O-5	1	1	1	-
O-4	5	5	5	-
O-3	8	8	8	-
O-2	-	-	-	-
O-1	-	-	-	-
CWO4	2	2	2	-
Cadet	-	-	-	-
E-10	-	-	-	-
E-9	-	-	-	-
E-8	1	1	1	-
E-7	1	1	1	-
E-6	4	4	4	-
E-5	-	-	-	-
E-4	2	2	2	-
E-3	2	2	2	-
E-2	-	-	-	-
E-1	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	28	28	28	-
Unfilled Positions EOY	-	-	-	-
Total Perm. Employment EOY	28	28	28	-
FTE*	30	28	28	-
Headquarters	2	2	2	-
U.S. Field	28	26	26	-
Foreign Field	-	-	-	-
Total Permanent Positions	28	28	28	-
Position Data:				
Average Salary, Officer Positions**	$95,414.11	$98,860.78	$102,060.33	$3,199.56
Average Grade, Officer Positions	3.64	3.64	3.64	0.00
Average Salary, Enlisted Positions**	$49,845.30	$51,624.40	$53,253.50	$1,629.10
Average Grade, Enlisted Positions	5.30	5.30	5.30	0.00

*The Coast Guard manages the military workforce by end strength, not FTE. The military FTE represented in these numbers are monthly end strengths averaged over the year.

**The military pay and allowances averages include the costs associated with all pay and allowances paid to a particular paygrade, including: Basic Pay, Basic Allowance for Housing, Basic Allowance for Subsistence, Federal Insurance Contributions, Incentive/Special Pays, Clothing Allowances, Cost-of-Living Allowances and Selective Re-enlistment Bonus payments. The term "Officer" includes Chief Warrant Officers, Cadets and Officer Candidates.

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
Research, Development, Testing and Evaluation - Civilian
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
Total, SES	-	-	-	-
Total, EX	-	-	-	-
GS-15	3	3	3	-
GS-14	15	15	15	-
GS-13	31	31	31	-
GS-12	19	19	19	-
GS-11	1	1	1	-
GS-10	-	-	-	-
GS-9	4	4	4	-
GS-8	1	1	1	-
GS-7	4	4	4	-
GS-6	-	-	-	-
GS-5	-	-	-	-
GS-4	-	-	-	-
GS-3	-	-	-	-
GS-2	-	-	-	-
Other Graded Positions	1	1	1	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	79	79	79	-
Unfilled Positions EOY	6	6	6	-
Total Perm. Employment (Filled Positions) EOY	73	73	73	-
FTE	67	74	74	-
Headquarters	5	5	5	-
U.S. Field	74	74	74	-
Foreign Field	-	-	-	-
Total Permanent Positions	79	79	79	-
Position Data:				
Average Personnel Costs, ES Positions	n/a	n/a	n/a	n/a
Average Personnel Costs, GS Positions	$104,266.67	$0.00	$0.00	0.00
Average Grade, GS Positions	12.42	0.00	0.00	0.00

The average personnel costs shown above include basic/locality pay, lump sum payments, awards, overtime, benefits such as retirement, health care and life insurance, and other compensation such as holiday, Sunday, hazardous duty, reemployment annuitant and severance pays, night differential, non foreign Cost-of-Living Allowance, premium compensation for firefighters. Civilian FTP is presented as a count of full time positions, vice full time employees.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Research Development Testing & Evaluation (RDT&E)
PPA I
Funding Schedule
(Dollars in Thousands)

Research Development Testing & Evaluation (RDT&E)		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes					
11.1	Full-time permanent	5,467	6,418	6,633	215
11.3	Other than full-time permanent	223	261	270	9
11.5	Other personnel compensation	71	84	87	3
11.7	Military personnel	2,121	2,150	2,187	37
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	1,354	1,590	1,643	53
12.2	Military personnel benefits	143	144	146	2
13.0	Benefits-former	-	-	-	-
21.0	Travel	735	800	300	(500)
22.0	Transportation of things	38	41	25	(16)
23.1	GSA rent	-		-	-
23.2	Other rent	343	355	650	295
23.3	Communication, utilities, and misc charges	80	87	50	(37)
24.0	Printing and reproduction	-		-	-
25.1	Advisory and assistance services	-		-	-
25.2	Other services	27	29	200	171
25.3	Purchases of goods & svcs. from gov't accounts	150	163	100	(63)
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	6,782	7,380	900	(6,480)
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	37	565	215	(350)
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	771	839	424	(415)
31.0	Equipment	63	69	30	(39)
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 18,405**	**$ 20,975**	**$ 13,860**	**$ (7,115)**
Full Time Equivalents		**97**	**102**	**102**	**-**

PPA Mission Statement

Research, Development, Test and Evaluation (RDT&E) will allow the Coast Guard to maintain its non-homeland security research and development capability, while also partnering and leveraging initiatives identified by the Department of Homeland Security (DHS) and the Department of Defense (DOD) for efforts beneficial to the Coast Guard, DHS, and DOD for homeland security missions.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 9,379	$ 10,647	$ 10,966	$ 319

Salaries and Benefits include costs for 102 FTEs. The FY 2007 request includes an increase of $319K to account for inflation and planned internal personnel reprogramming issues.

Travel

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 735	$ 800	$ 300	$ (500)

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. Change results from a reduction in number and scope of R&D efforts. Work will focus on in house efforts in lieu of contracted efforts;therefore, less coordination with contractors and less test and evaluation of prototype equipment.

Transportation of things

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 38	$ 41	$ 25	$ (16)

Change results from the reduction in number and scope of R&D efforts. There is a reduction in the amount of test equipment that needs to be shipped to test sites.

Other rent

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 343	$ 355	$ 650	$ 295

Current 10 year lease expires at the end of FY 2006, estimate is at fair market value for the new lease.

Communication, utilities, and misc charges

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 80	$ 87	$ 50	$ (37)

Change results from the reduction in number and scope of R&D efforts. There is a reduction in support services needed at test and evaluation sites.

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 27	$ 29	$ 200	$ 171

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. With more of the R&D effort being done in-house there is an increase in ancillary services needed to support R&D efforts that previously would have been part of a R&D Contract.

Purchases of goods & svcs. from gov't accounts

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 150	$ 163	$ 100	$ (63)

Change results from the reduction in number and scope of R&D efforts. There will be a reduction in work done at other government facilities.

Research and development

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 6,782	$ 7,380	$ 900	$ (6,480)

Change results from the reduction in number and scope of R&D efforts. There will be a great reduction in contracted out efforts.

Operation and maintenance of equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 37	$ 565	$ 215	$ (350)

Change results from the reduction in number and scope of R&D efforts. There is a reduction in amount and frequency of test and evaluation equipment needed at test and evaluation sites.

Supplies and materials

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 771	$ 839	$ 424	$ (415)

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are in use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (d) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. Change results from the reduction in number and scope of R&D efforts. There will be a corresponding reduction in supplies and material needed.

Equipment

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 63	$ 69	$ 30	$ (39)

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. Change results from the reduction in number and scope of R&D efforts. There will be a reduction in the amount of equipment that will be required.

I. Schedule of Working Capital Fund

Not Applicable

1891

Department of Homeland Security

United States Coast Guard

Medicare-Eligible Retiree Health Care Fund Contribution

Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard
Medicare-Eligible Retiree Healthcare Fund Contribution

I. Appropriation Overview

A. Mission Statement for the Healthcare Fund Contribution:

The Medicare-Eligible Retiree Healthcare Fund Contribution (HFC) will provide funding to maintain the cost of accruing the military Medicare-eligible health benefit contributions to the Department of Defense Medicare-Eligible Retiree Health Care Fund. Contributions are for future Medicare-eligible retirees currently serving active duty in the Coast Guard, retiree dependents, and their potential survivors.

The authority for the Coast Guard to make this payment on an annual basis was provided in P. L. 108-375, the 2005 Defense Appropriations Act. While this expenditure requires no annual action by Congress, it is counted as discretionary spending.

B. Budget Activities:

Although there are no budget activities directly related to providing this benefit to Active Duty personnel and their dependents, this ensures the personal well-being of every uniformed member of the Coast Guard.

C. Budget Request Summary:

The Coast Guard estimates it will pay $278,704,000 to the DOD Medicare-Eligible Retiree Healthcare Fund in FY 2007 to support the benefits outlined above. The total adjustment to base is $18,171,000 for non-pay inflation. No program increase is requested for FY 2007.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Medicare-Eligible Retiree Healthcare Fund Contribution
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1 Medicare-Eligible Retiree Healthcare Fund Contribution	-	$ 236,750	-	$ 260,533	-	$ 278,704	-	$ 18,171	-	$ -	-	$ 18,171
Subtotal, Enacted Appropriations and Budget Estimates	-	$ 236,750	-	$ 260,533	-	$ 278,704	-	$ 18,171	-	$ -	-	$ 18,171
Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	-	$ 236,750	-	$ 260,533	-	$ 278,704	-	$ 18,171	-	$ -	-	$ 18,171

CG-HFC-3

III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Medicare-Eligible Retiree Healthcare Fund Contribution
Program Performance Justification
(Dollars in Thousands)

PPA I: MEDICARE-ELIGIBLE RETIREE HEALTHCARE FUND CONTRIBUTION

	Perm Pos	FTE	Amount
2005 Actual[1]	...	...	**$236,750**
2006 Revised Enacted	...	...	**260,533**
2007 Adjustments-to-Base			18,171
2007 Current Services	...	...	**278,704**
2007 Program Change	...	...	...
2007 Request	...	...	**278,704**
Total Change 2006-2007	...	...	18,171

The Coast Guard requests $278.7 million for this activity. This is an increase of $18.2 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Medicare-Eligible Retiree Healthcare Fund Contribution (HFC) will provide funding to maintain the cost of accruing the military Medicare-eligible health benefit contributions to the Department of Defense Medicare-Eligible Retiree Health Care Fund. Contributions are for future Medicare-eligible retirees, retiree dependents and survivors in the Coast Guard.

[1] In FY 2005, funding for this contribution was accounted for within the Operating Expenses appropriation, but it is displayed here for presentation purposes. Beginning in FY 2006, the contribution was officially re-allocated from the Operating Expenses appropriation to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Medicare-Eligible Retiree Healthcare Fund Contribution
Appropriation Language

Not applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Medicare-Eligible Retiree Healthcare Fund Contribution
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount	
2005 Actual	-	-	**236,750**	/1
2006 Revised Enacted	-	-	**260,533**	
Adjustments-to-Base				
Increases				
Annualization of prior year funding	-	-	-	
2007 Pay Raise	-	-	-	
Non-Pay Inflation	-	-	18,171	
Operating and Maintenance Funds for New Facilities	-	-	-	
Total Increases	-	-	18,171	
Decreases				
Total Decreases	-	-	-	
Total Adjustments-to-Base	-	-	**18,171**	
2007 Current Services	-	-	**278,704**	
Program Changes				
Program Increases/(Decreases)	-	-	-	
Total Program Changes	-	-	-	
2007 Request	-	-	**278,704**	
2006 to 2007 Total Change	-	-	**18,171**	

/1 In FY 2005, funding for this contribution was accounted for within the Operating Expenses appropriation, but it is displayed here for presentation purposes. Beginning in FY 2006, the contribution was officially re-allocated from the Operating Expenses appropriation to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Medicare-Eligible Retiree Healthcare Fund Contribution (HFC)
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	FTE	Amount [1]
2005 Actual	-	-	**236,750**
2006 Revised Enacted	-	-	**260,533**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	-	-	-
Increases	-	-	18,171
Decreases	-	-	-
Total Adjustments-to-Base	-	-	**18,171**
2007 Current Services	-	-	**278,704**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	-
2007 Total Request	-	-	**278,704**
2006 to 2007 Total Change	-	-	**18,171**

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
PPA 1	-	-	260,533	-	-	18,171	-	-	-	-	-	278,704	-	-	18,171
Total HFC	-	-	**260,533**	-	-	**18,171**	-	-	-	-	-	**278,704**	-	-	**18,171**

/1 In FY 2005, funding for this contribution was accounted for within the Operating Expenses appropriation, but it is displayed here for presentation purposes. Beginning in FY 2006, the contribution was officially re-allocated fro the Operating Expenses appropriation to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Medicare-Eligible Retiree Healthcare Fund Contribution
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	236,750	260,533	278,704	18,171
13.0	Benefits-former	-	-	-	-
	Total, Personnel Comp. & Benefits	**$ 236,750**	**$ 260,533**	**$ 278,704**	**$ 18,171**
Other Objects Classes:					
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	**$ -**	**$ -**	**$ -**	**$ -**
	Total Direct Obligations	**$ 236,750**	**$ 260,533**	**$ 278,704**	**$ 18,171**
	Unobligated balance, start of year	-	-	-	
	Unobligated balance, end of year	-	-	-	
	Total Requirements	**$ 236,750**	**$ 260,533**	**$ 278,704**	

Note 1 Total direct obligations does not include advances and reimbursements

Note 2: In FY 2005, funding for this contribution was accounted for within the Operating Expenses appropriation, but it is displayed here for presentation purposes. Beginning in FY 2006, the contribution was officially re-allocated from the Operating Expenses appropriation to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Medicare-Eligible Retiree Healthcare Fund Contribution
PPA I
Funding Schedule
(Dollars in Thousands)

Medicare-Eligible Retiree Healthcare Fund Contribution		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	236,750	260,533	278,704	18,171
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 236,750**	**$ 260,533**	**$ 278,704**	**$ 18,171**
Full Time Equivalents		-	-	-	-

Note 2: In FY 2005, funding for this contribution was accounted for within the Operating Expenses appropriation, but it is displayed here for presentation purposes. Beginning in FY 2006, the contribution was officially re-allocated from the Operating Expenses appropriation to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation.

PPA Mission Statement

The Medicare-Eligible Retiree Healthcare Fund Contribution (HFC) will provide funding to maintain the cost of accruing the military Medicare-eligible health benefit contributions to the Department of Defense Medicare-Eligible Retiree Health Care Fund. Contributions are for future Medicare-eligible retirees, retiree dependents and survivors in the Coast Guard.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 236,750	$ 260,533	$ 278,704	$ 18,171

Salaries and Benefits include the annual contribution to the military Medicare-Eligible Retiree Health Care Fund. The FY 2007 request includes an increase of $18,171K to account for increased normal costs per OMB Circular A-11 and an increase in requested military FTE.

I. Appropriation Overview

Not Applicable

CG-HFC-14

1907

Department of Homeland Security

United States Coast Guard

Retired Pay



Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard
Retired Pay

I. Appropriation Overview

A. Mission Statement for Retired Pay:

Retired Pay (RP) will provide payments as identified under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payments for career status bonuses, concurrent receipts and combat related special compensation identified under the National Defense Authorization Act. It also provides payments for medical care of retired personnel and their dependents.

B. Budget Activities:

Although there are no budget activities directly related to providing this benefit to Active Duty personnel and their dependents, this ensures the personal well-being of every Coast Guard retiree and their dependents.

C. Budget Request Summary:

The Coast Guard requests $1,063,323,000 in FY 2007 to support the benefits outlined above.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Retired Pay
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1 Retired Pay	-	$ 944,575	-	$ 1,014,080	-	$ 1,063,323	-	$ 49,243	-	$ -	-	$ 49,243
Subtotal, Enacted Appropriations and Budget Estimates	-	$ 944,575	-	$ 1,014,080	-	$ 1,063,323	-	$ 49,243	-	$ -	-	$ 49,243
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	-	$ 944,575	-	$ 1,014,080	-	$ 1,063,323	-	$ 49,243	-	$ -	-	$ 49,243

CG-RP-3

III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Retired Pay
Program Performance Justification
(Dollars in Thousands)

PPA I: RETIRED PAY

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$944,575**
2006 Revised Enacted	...	...	**1,014,080**
2007 Adjustments-to-Base			49,243
2007 Current Services	...	...	**1,063,323**
2007 Program Change	...	...	...
2007 Request	...	...	**1,063,323**
Total Change 2006-2007	...	...	49,243

The Coast Guard requests $1.1 billion for this activity. This is an increase of $49 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Retired Pay (RP) will provide payments as identified under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payments for career status bonuses, concurrent receipts and combat related special compensation identified under the National Defense Authorization Act. It also provides payments for medical care of retired personnel and their dependents.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
U. S. Coast Guard
Justification of Proposed Changes in Retired Pay
Appropriation Language

For retired pay, including the payment of obligations otherwise chargeable to lapsed appropriations for this purpose, payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payments for career status bonuses, concurrent receipts and combat related special compensation under the National Defense Authorization Act, and for payments for medical care of retired personnel and their dependents under chapter 55 of title 10, United States Code, [$1,014,080,000] ***$1,063,323,000*** *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Retired Pay
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	**944,575**
2006 Revised Enacted	-	-	**1,014,080**
Adjustments-to-Base			
Transfers to and from other accounts			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	-	-	-
Increases			
Annualization of prior year funding	-	-	-
2007 Pay Raise	-	-	-
Non-Pay Inflation	-	-	49,243
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	49,243
Decreases			
Termination of one-time costs	-	-	-
Management and Technology Efficiencies	-	-	-
Total Decreases	-	-	-
Total Adjustments-to-Base	-	-	**49,243**
2007 Current Services	-	-	**1,063,323**
Program Changes			
Program Increases/(Decreases)	-	-	-
Total Program Changes	-	-	-
2007 Request	-	-	**1,063,323**
2006 to 2007 Total Change	-	-	**49,243**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Retired Pay
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	FTE	Amount
2005 Actual	-	-	**944,575**
2006 Revised Enacted	-	-	**1,014,080**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	-	-	-
Increases	-	-	49,243
Decreases	-	-	-
Total Adjustments-to-Base	-	-	**49,243**
2007 Current Services	-	-	**1,063,323**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	-
2007 Total Request	-	-	**1,063,323**
2006 to 2007 Total Change	-	-	**49,243**

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
PPA 1	-	-	1,014,080	-	-	49,243	-	-	-	-	-	1,063,323	-	-	49,243
Total Retired Pay	-	-	**1,014,080**	-	-	**49,243**	-	-	-	-	-	**1,063,323**	-	-	**49,243**

CG-RP-7

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Retired Pay
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	805,076	884,000	897,073	13,073
	Total, Personnel Comp. & Benefits	**$ 805,076**	**$ 884,000**	**$ 897,073**	**$ 13,073**
Other Objects Classes:					
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	139,499	130,080	166,250	36,170
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	**$ 139,499**	**$ 130,080**	**$ 166,250**	**$ 36,170**
	Total Direct Obligations	**$ 944,575**	**$ 1,014,080**	**$ 1,063,323**	**$ 49,243**
	Unobligated balance, start of year	-	-	-	
	Unobligated balance, end of year	-	-	-	
	Total Requirements	**$ 944,575**	**$ 1,014,080**	**$ 1,063,323**	
Note: Total direct obligations does not include advances and reimbursements					

F. Permanent Positions by Grade

Not Applicable

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Retired Pay
PPA I
Funding Schedule
(Dollars in Thousands)

Retired Pay		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	805,076	884,000	897,073	13,073
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	-	-	-	-
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	139,499	130,080	166,250	36,170
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 944,575**	**$ 1,014,080**	**$ 1,063,323**	**$ 49,243**
Full Time Equivalents		-	-	-	-

PPA Mission Statement

Retired Pay (RP) will provide payments as identified under the Retired Serviceman's Family Protection and Survivor Benefits Plans, payments for career status bonuses, concurrent receipts and combat related special compensation identified under the National Defense Authorization Act. It also provides payments for medical care of retired personnel and their dependents.

Summary Justification and Explanation of Changes

Salaries and Benefits

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 805,076	$ 884,000	$ 897,073	$ 13,073

Requested increase accounts for cost-of-living adjustments for all retirement and most survivor annuities as well as entitlement benefits authorized in the National Defense Authorization Act.

Medical care

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 139,499	$ 130,080	$ 166,250	$ 36,170

Requested increase accounts for medical inflation benefits for members before they become Medicare eligible. Once a member becomes eligible for Medicare, the Medicare-Eligible Retiree Heath Care Fund (HFC) is responsible for these benefits.

I. Schedule of Working Capital Fund

Not Applicable

Department of Homeland Security

United States Coast Guard

Boat Safety

Fiscal Year 2007

Congressional Justification

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G. Capital Investment and Construction Initiative Listing 11
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U. S. Coast Guard

Boating Safety

I. Appropriation Overview.

A. Mission Statement for Boating Safety:

The Boating Safety (BS) program is designed to minimize the loss of life, personal injury, property damage and environmental impact associated with the use of recreational boats, through preventive means, in order to maximize safe use and enjoyment of U.S. waterways by the public. In its role as the designated National Recreational Boating Safety (RBS) Program Coordinator, the Coast Guard is charged with managing dedicated user fee funding to support the National RBS Program provided from the Sport Fish Restoration and Boating Trust Fund (formerly Aquatic Resources Trust Fund). Under the provisions of the Sport fishing and Recreational Boating Safety Act of 2005 (Subtitle A, Title X, P.L. 109-59), the Coast Guard will receive a percentage distribution of total trust fund receipts from the preceding FY (e.g., FY07 funding will be a percentage of FY06 trust fund receipts), and a portion of the funds drawn out of the Boat Safety Account of the trust fund.

B. Budget Activities:

Boat Safety supports our Search and Rescue mission.

C. Budget Request Summary:

The FY 2007 budget provides the anticipated amount that will be available from the trust fund for boating safety based on current estimates of FY 2006 trust fund receipts from the Office of Tax Analysis of the Department of the Treasury, adjusted to reflect amendments of current law enacted in P.L. 109-59. The estimated total distribution from the trust fund for boating safety for FY 2007 is $115 million. Of that amount, $5.5 million is available for use by the Coast Guard to coordinate and carry out new and enhanced National RBS Program activities. The balance is authorized for the State RBS Grant Program established by 46 U.S.C. 13101, et seq., minus not more than five percent for national boating safety activities of national nonprofit public service organizations, and not more than two percent for Coast Guard costs to administer the State RBS programs.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Boat Safety
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1 Boat Safety	-	$ 76,394	-	$ 101,285	-	$ 115,000	-	$ 13,715	-	$ 13,715	-	$ -
Subtotal, Enacted Appropriations and Budget Estimates	-	$ 76,394	-	$ 101,285	-	$ 115,000	-	$ 13,715	-	$ 13,715	-	$ -
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	-	$ 76,394	-	$ 101,285	-	$ 115,000	-	$ 13,715	-	$ 13,715	-	$ -

III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Boat Safety
Program Performance Justification
(Dollars in Thousands)

PPA I: BOAT SAFETY

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$76,394**
2006 Revised Enacted	...	...	**101,285**
2007 Adjustments-to-Base			...
2007 Current Services	...	...	**101,285**
2007 Program Change	...	...	13,715
2007 Request	...	...	**115,000**
Total Change 2006-2007	...	...	13,715

The Coast Guard requests $115 million for this activity. This is an increase of $13.7 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Boating Safety (BS) program supports our Search and Rescue mission. It is designed to minimize the loss of life, personal injury, property damage and environmental impact associated with the use of recreational boats, through preventive means, in order to maximize safe use and enjoyment of U. S. waterways by the public. In its role as the designated National Recreational Boating Safety (RBS) Program Coordinator, the Coast Guard is charged with managing dedicated user fee funding to support the National RBS Program provided from the Sport Fish Restoration and Boating Trust Fund (formerly Aquatic Resources Trust Fund). Under the provisions of the Sport fishing and Recreational Boating Safety Act of 2005 (Subtitle A, Title X, P.L. 109-59), the Coast Guard will receive a percentage distribution of total trust fund receipts from the preceding FY (e.g., FY 2007 funding will be a percentage of FY 2006 trust fund receipts), and a portion of the funds drawn out of the Boat Safety Account of the trust fund.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Boat Safety
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	**76,394**
2006 Revised Enacted	-	-	**101,285**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	-	-	-
2007 Pay Raise	-	-	-
Non-Pay Inflation	-	-	-
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	-
Decreases			
Termination of one-time costs	-	-	-
Management and Technology Efficiencies	-	-	-
Total Decreases	-	-	-
Total Adjustments-to-Base	-	-	-
2007 Current Services	-	-	**101,285**
Program Changes			
Program Increases/(Decreases)	-	-	13,715
Total Program Changes	-	-	**13,715**
2007 Request	-	-	**115,000**
2006 to 2007 Total Change	-	-	**13,715**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Boat Safety
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	FTE	Amount
2005 Actual	-	-	**76,394**
2006 Revised Enacted	-	-	**101,285**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	-	-	-
Increases	-	-	13,715
Decreases	-	-	-
Total Adjustments-to-Base	-	-	**13,715**
2007 Current Services	-	-	**115,000**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	-
2007 Total Request	-	-	**115,000**
2006 to 2007 Total Change	-	-	**13,715**

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
PPA I	-	-	101,285	-	-	13,715	-	-	-	-	-	115,000	-	-	13,715
Total Boat Safety	-	-	**101,285**	-	-	**13,715**	-	-	-	-	-	**115,000**	-	-	**13,715**

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Boat Safety
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
	Total, Personnel Comp. & Benefits	$ -	$ -	$ -	$ -
Other Objects Classes:					
21.0	Travel	23	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	9,024	9,000	9,000	-
25.3	Purchases of goods & svcs. from gov't accounts	-	1,000	1,000	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	4	-	-	-
31.0	Equipment	5	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	67,338	119,555	105,000	(14,555)
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	$ 76,394	$ 129,555	$ 115,000	$ (14,555)
	Total Direct Obligations	$ 76,394	$ 129,555	$ 115,000	$ (14,555)
	Unobligated balance, start of year	(40,664)	(28,270)	-	
	Unobligated balance, end of year	28,270	-	-	
	Total Requirements	$ 64,000	$ 101,285	$ 115,000	
Note: Total direct obligations does not include advances and reimbursements					

F. Permanent Positions by Grade

Not Applicable

CG-BS-10

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Boat Safety
PPA I
Funding Schedule
(Dollars in Thousands)

Boat Safety		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	23	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	9,024	9,000	9,000	-
25.3	Purchases of goods & svcs. from gov't accounts	-	1,000	1,000	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	4	-	-	-
31.0	Equipment	5	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	67,338	119,555	105,000	(14,555)
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 76,394**	**$ 129,555**	**$ 115,000**	**$ (14,555)**
Full Time Equivalents		-	-	-	-

PPA Mission Statement

The Boating Safety (BS) program is designed to minimize the loss of life, personal injury, property damage and environmental impact associated with the use of recreational boats, through preventive means, in order to maximize safe use and enjoyment of U.S. waterways by the public. In its role as the designated National Recreational Boating Safety (RBS) Program Coordinator, the Coast Guard is charged with managing dedicated user fee funding to support the National RBS Program provided from the Sport Fish Restoration and Boating Trust Fund (formerly Aquatic Resources Trust Fund). Under the provisions of the Sport fishing and Recreational Boating Safety Act of 2005 (Subtitle A, Title X, P.L. 109-59), the Coast Guard will receive a percentage distribution of total trust fund receipts from the preceding FY (e.g., FY07 funding will be a percentage of FY06 trust fund receipts), and a portion of the funds drawn out of the Boat Safety Account of the trust fund.

Summary Justification and Explanation of Changes

Grants, subsidies and contributions

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 76,394	$ 129,555	$ 115,000	$ (14,555)

Requested funding includes an estimate of what the FY 2006 percentage of trust fund receipts will be, which accounts for the fact that the request is $14.555M less than what was received in FY 2006.

I. Schedule of Working Capital Fund

Not Applicable

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Department of Homeland Security

United States Coast Guard

Oil Spill Recovery

Fiscal Year 2007

Congressional Justification

25756A

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U. S. Coast Guard
Oil Spill Recovery

I. Appropriation Overview

A. Mission Statement for Oil Spill Recovery:

The Oil Spill Recovery fund will provide a source of funds for removal costs and damages resulting from oil spills, or the substantial threat of a spill, into navigable waters of the U.S. In accordance with the provisions of the Oil Pollution Act of 1990, the President may make available up to $50 million annually from the Fund for oil spill removal activities. The Fund also pays all valid claims for removal costs and damages resulting from oil spills. Claims can be presented by government entities, the private sector, and the general public for: uncompensated removal costs; damage to real or personal property; loss of profits and earning capacity; loss of subsistence use of natural resources; loss of government revenues; and, increased cost of public services. Federal, State, and Indian Tribe Trustees may also present claims for natural resource damages resulting from a spill. In addition, responsible parties (RP) may submit defense to liability claims alleging an "act of God," "act of war," or "sole fault of a third party," in which the RP is seeking reimbursement for all removal and damage costs it incurred as a result of a spill. RP's may also submit limit-of-liability claims, in which the RP demonstrates that the OPA liability limit applies and seeks reimbursement for costs incurred in excess of the applicable limit.

B. Budget Activities:

This fund directly supports our Marine Environmental Protection (MEP) mission.

C. Budget Request Summary:

The Coast Guard estimates that expenditures from the Oil Spill Recovery fund will total $126,900,000 in FY 2007; the adjustment to the base from FY 2006 is ($41,000,000). Since the balances of the Oil Spill Liability Trust Fund are held in a trust, an annual expenditure transfer is made to the Oil Spill Recovery account reflecting the anticipated activity for the fiscal year. In 2007, the Coast Guard estimates the following transfer will be made from the OSLTF to the Recovery account: $50 million will be allocated for oil spill removal costs, $1 million for the Oil Spill Recovery Institute (established by Congress in 1990 to support research, education and demonstration projects designed to address oil spills in the Arctic and sub-Arctic marine environments) and $75.9 million will be required for payment of claims.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Oil Spill Recovery
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
1 Oil Spill Recovery	-	$ 95,432	-	$ 168,000	-	$ 126,900	-	$ (41,100)	-	$ -	-	$ (41,100)
Subtotal, Enacted Appropriations and Budget Estimates	-	$ 95,432	-	$ 168,000	-	$ 126,900	-	$ (41,100)	-	$ -	-	$ (41,100)
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	-	$ 95,432	-	$ 168,000	-	$ 126,900	-	$ (41,100)	-	$ -	-	$ (41,100)

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III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Coast Guard
Oil Spill Recovery
Program Performance Justification
(Dollars in Thousands)

PPA I: OIL SPILL RECOVERY

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$95,432**
2006 Revised Enacted	...	...	**168,000**
2007 Adjustments-to-Base			(41,100)
2007 Current Services	...	...	**126,900**
2007 Program Change	...	...	...
2007 Request	...	...	**126,900**
Total Change 2006-2007	...	...	(41,100)

The Coast Guard requests $126.9 million for this activity. This is a decrease of $41.1 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Title I of the Oil Pollution Act of 1990 (OPA) provided for the use of a $1 billion Oil Spill Liability Trust Fund (OSLTF) to pay for expeditious oil removal and uncompensated damages. In section seven of Executive Order 12777, the President delegated management responsibility for the OSLTF to the Secretary of the Department in which the Coast Guard is operating. Upon re-delegation by the Secretary, the Commandant of the Coast Guard delegated responsibility to the created National Pollution Funds Center (NPFC), which oversees the OSLTF. OSLTF uses under OPA include:

- Removal costs incurred by the Coast Guard and U. S. Environmental Protection Agency (EPA) Federal On-Scene Coordinators (FOSCs);
- Payments to Federal, state, and Indian tribe trustees to conduct Natural Resource Damage Assessments (NRDAs) and restorations;
- Payment of claims for uncompensated removal costs and damages; and
- Administrative, operational, and personnel costs and expenses incidental to implementation, administration, and enforcement of OPA and certain provisions of section 311 of 33 U.S.C. 1321.

IV. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Oil Spill Recovery
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	**95,432**
2006 Revised Enacted	-	-	**168,000**
Adjustments-to-Base			
Increases			
Total Increases	-	-	-
Decreases			
Management and Technology Efficiencies	-	-	(41,100)
Total Decreases	-	-	(41,100)
Total Adjustments-to-Base	-	-	**(41,100)**
2007 Current Services	-	-	**126,900**
Program Changes			
Program Increases/(Decreases)	-	-	-
Total Program Changes	-	-	-
2007 Request	-	-	**126,900**
2006 to 2007 Total Change	-	-	**(41,100)**

C. Summary of Requirements

Department of Homeland Security
U. S. Coast Guard
Oil Spill Recovery
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Pos.	FTE	Amount
2005 Actual	-	-	**95,432**
2006 Revised Enacted	-	-	**168,000**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	-	-	-
Increases	-	-	(41,100)
Decreases	-	-	-
Total Adjustments-to-Base	-	-	**(41,100)**
2007 Current Services	-	-	**126,900**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	-	-	-
2007 Total Request	-	-	**126,900**
2006 to 2007 Total Change	-	-	**(41,100)**

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Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
PPA 1	-	-	168,000	-	-	(41,100)	-	-	-	-	-	126,900	-	-	(41,100)
Oil Spill Recovery	-	-	**168,000**	-	-	**(41,100)**	-	-	-	-	-	**126,900**	-	-	**(41,100)**

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
U. S. Coast Guard
Oil Spill Recovery
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
	Total, Personnel Comp. & Benefits	**$ -**	**$ -**	**$ -**	**$ -**
Other Objects Classes:					
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	95,432	219,000	126,900	(92,100)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
	Total, Other Object Classes	**$ 95,432**	**$ 219,000**	**$ 126,900**	**$ (92,100)**
	Total Direct Obligations	**$ 95,432**	**$ 219,000**	**$ 126,900**	**$ (92,100)**
	Unobligated balance, start of year	(93,661)	(63,000)	(12,000)	
	Unobligated balance, end of year	63,000	12,000	12,000	
	Total Requirements	**$ 64,771**	**$ 168,000**	**$ 126,900**	
Note: Total direct obligations does not include advances and reimbursements					

F. Permanent Positions by Grade

Not Applicable

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G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
U. S. Coast Guard
Oil Spill Recovery
PPA I
Funding Schedule
(Dollars in Thousands)

Oil Spill Recovery		2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Object Classes					
11.1	Full-time permanent	-	-	-	-
11.3	Other than full-time permanent	-	-	-	-
11.5	Other personnel compensation	-	-	-	-
11.7	Military personnel	-	-	-	-
11.8	Special service pay	-	-	-	-
12.1	Civilian personnel benefits	-	-	-	-
12.2	Military personnel benefits	-	-	-	-
13.0	Benefits-former	-	-	-	-
21.0	Travel	-	-	-	-
22.0	Transportation of things	-	-	-	-
23.1	GSA rent	-	-	-	-
23.2	Other rent	-	-	-	-
23.3	Communication, utilities, and misc charges	-	-	-	-
24.0	Printing and reproduction	-	-	-	-
25.1	Advisory and assistance services	-	-	-	-
25.2	Other services	95,432	168,000	126,900	(41,100)
25.3	Purchases of goods & svcs. from gov't accounts	-	-	-	-
25.4	Operation & maintenance of facilities	-	-	-	-
25.5	Research and development	-	-	-	-
25.6	Medical care	-	-	-	-
25.7	Operation and maintenance of equipment	-	-	-	-
25.8	Subsistence and support of persons	-	-	-	-
26.0	Supplies and materials	-	-	-	-
31.0	Equipment	-	-	-	-
32.0	Land and structures	-	-	-	-
41.0	Grants, subsidies and contributions	-	-	-	-
42.0	Insurance claims and indemnity	-	-	-	-
Total Direct Obligations		**$ 95,432**	**$ 168,000**	**$ 126,900**	**$ (41,100)**
Full Time Equivalents		-	-	-	-

PPA Mission Statement

The Oil Spill Recovery fund will provide a source of funds for removal costs and damages resulting from oil spills, or the substantial threat of a spill, into navigable waters of the U.S. In accordance with the provisions of the Oil Pollution Act of 1990, the President may make available up to $50 million annually from the Fund for oil spill removal activities. The Fund also pays all valid claims for removal costs and damages resulting from oil spills.

Summary Justification and Explanation of Changes

Other services

2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
$ 95,432	$ 168,000	$ 126,900	$ (41,100)

The FY 2007 Oil Spill Recovery request represents a reduction from FY 2006 as a result of a projected decrease in anticipated claims.

I. Schedule of Working Capital Fund

Not Applicable

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Department of Homeland Security

United States Coast Guard

Miscellaneous Funds

Fiscal Year 2007

Congressional Justification

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U. S. Coast Guard
Miscellaneous Funds

I. Gift Fund Overview

A. Mission Statement for Gift Fund

The Coast Guard General Gift Fund is authorized under Section 2601 of Title 10's provisions for such funds within the Department of Defense and the Coast Guard. The General Gift Fund is a vehicle that authorizes the Commandant of the Coast Guard to accept gifts and donations for the benefit of activities such as museums, chapels, and other organizations under the jurisdiction of the Coast Guard. A recent change also authorizes the Coast Guard to accept gifts to be used for the benefit of service members who are wounded, injured, or taken ill while in the line of duty, as well as for those members' dependents and survivors.

B. Budget Activities:

To accept and spend gifts, devises, and bequests to support the Coast Guard, its institutions, and its qualifying service members and dependents.

C. Budget Request Summary:

The Coast Guard requests $80,000 in FY 2007 towards the Gift Fund.

U.S. Coast Guard Gift Fund
(Dollars in Thousands)

	Amount
2005 Actual	**$903**
2006 Planned	**80**
2007 Projected	**80**
Total Change 2006-2007	-

U. S. Coast Guard
Miscellaneous Funds

II. Yard Fund Overview

A. Mission Statement for Yard Fund

The Yard Fund is a revolving account supported by the Coast Guard's Operation Expense (OE) and Acquisitions, Construction & Improvements (AC&I) appropriations to pay for FTE and materials required for Coast Guard projects and work orders completed by the Coast Guard Yard, located in Curtis Bay, Maryland.

B. Budget Activities:

Through their completion of mission-essential logistics and engineering support (e.g., cutter drydocking), Coast Guard Yard personnel contribute to all Coast Guard missions: Search and Rescue (SAR); Marine Safety; Aids to Navigation (AtoN); Ice Operations; Marine Environmental Protection (MEP); Living Marine Resources (LMR); Drug Interdiction; Migrant Interdiction; Other Law Enforcement; Ports, Waterways and Coastal Security (PWCS); and Defense Readiness.

C. Budget Request Summary:

Not applicable.

III. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
U. S. Coast Guard
Gift Fund
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
1. Gift Fund	-	$ 903	-	$ 80	-	$ 80	-	$ -	-	$ -	-	$ -
Subtotal, Enacted Appropriations and Budget Estimates	-	$ 903	-	$ 80	-	$ 80	-	$ -	-	$ -	-	$ -
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations & Budget Estimates	-	$ 903	-	$ 80	-	$ 80	-	$ -	-	$ -	-	$ -

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IV. Current Services Program Description by PPA

Not Applicable

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Not Applicable

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
U. S. Coast Guard
Gift Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	-	-	**903**
2006 Revised Enacted	-	-	**80**
Adjustments-to-Base			
Increases			
Annualization of prior year funding	-	-	-
2007 Pay Raise	-	-	-
Non-Pay Inflation	-	-	-
Operating and Maintenance Funds for New Facilities	-	-	-
Total Increases	-	-	-
Decreases			
Termination of one-time costs	-	-	-
Management and Technology Efficiencies	-	-	-
Total Decreases	-	-	-
Total Adjustments-to-Base	-	-	-
2007 Current Services	-	-	**80**
Program Changes			
Program Increases/(Decreases)	-	-	-
Total Program Changes	-	-	-
2007 Request	-	-	**80**
2006 to 2007 Total Change	-	-	-

C. Summary of Requirements

Not Applicable

D. Summary of Reimbursable Resources (applies only to Yard Fund)

Department of Homeland Security
U. S. Coast Guard
Yard Fund
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
U.S. Coast Guard	624	555	85,758	513	505	86,000	513	505	86,000	-	-	-
Total Budgetary Resources	**624**	**555**	**85,758**	**513**	**505**	**86,000**	**513**	**505**	**86,000**	-	-	-

E. Summary of Requirements by Object Class

Not Applicable

F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
CG Yard Fund - Military
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
O-10	-	-	-	-
O-9	-	-	-	-
O-8	-	-	-	-
O-7	-	-	-	-
O-6	1	1	1	-
O-5	2	2	2	-
O-4	3	3	3	-
O-3	3	3	3	-
O-2	1	1	1	-
O-1	-	-	-	-
CWO4	5	5	5	-
Cadet	-	-	-	-
E-10	-	-	-	-
E-9	-	-	-	-
E-8	-	-	-	-
E-7	1	1	1	-
E-6	1	1	1	-
E-5	-	-	-	-
E-4	-	-	-	-
E-3	-	-	-	-
E-2	-	-	-	-
E-1	-	-	-	-
Other Graded Positions	-	-	-	-
Ungraded Positions	-	-	-	-
Total Permanent Positions	17	17	17	-
Unfilled Positions EOY	-	-	-	-
Total Perm. Employment EOY	17	17	17	-
FTE*	17	17	17	-
Headquarters	-	-	-	-
U.S. Field	17	17	17	-
Foreign Field	-	-	-	-
Total Permanent Positions	17	17	17	-
Position Data:				
Average Salary, Officer Positions**	$91,836.87	$95,154.07	$98,236.33	$3,082.27
Average Grade, Officer Positions	3.35	3.35	3.35	0.00
Average Salary, Enlisted Positions**	$60,257.50	$62,419.00	$64,390.50	$1,971.50
Average Grade, Enlisted Positions	6.50	6.50	6.50	0.00

*The Coast Guard manages the military workforce by end strength, not FTE. The military FTE represented in these numbers are monthly end strengths averaged over the year.

**The military pay and allowances averages include the costs associated with all pay and allowances paid to a particular paygrade, including: Basic Pay, Basic Allowance for Housing, Basic Allowance for Subsistence, Federal Insurance Contributions, Incentive/Special Pays, Clothing Allowances, Cost-of-Living Allowances and Selective Re-enlistment Bonus payments. The term "Officer" includes Chief Warrant Officers, Cadets and Officer Candidates.

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F. Permanent Positions by Grade

Department of Homeland Security
U. S. Coast Guard
CG Yard Fund - Civilian
Permanent Positions by Grade

Grade	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Pos.
Total, SES	0	0	0	0
Total, EX	0	0	0	0
GS-15	1	1	1	0
GS-14	3	3	3	0
GS-13	15	7	7	0
GS-12	25	25	25	0
GS-11	28	28	28	0
GS-10	0	0	0	0
GS-9	7	9	9	0
GS-8	1	1	1	0
GS-7	12	11	11	0
GS-6	3	1	1	0
GS-5	7	8	8	0
GS-4	0	2	2	0
GS-3	0	0	0	0
GS-2	0	0	0	0
Other Graded Positions	505	460	460	0
Ungraded Positions	0	0	0	0
Total Permanent Positions	607	556	556	0
Unfilled Positions EOY	63	63	63	0
Total Perm. Employment (Filled Positions) EOY	544	493	493	0
FTE	538	488	488	0
Headquarters	0	0	0	0
U.S. Field	607	556	556	0
Foreign Field	0	0	0	0
Total Permanent Positions	607	556	556	0
Position Data:				
Average Personnel Costs, ES Positions	n/a	n/a	n/a	n/a
Average Personnel Costs, GS Positions	$81,881.37	$81,277.08	$83,451.04	$ 2,174
Average Grade, GS Positions	10.47	10.17	10.17	0.00

The average personnel costs shown above include basic/locality pay, lump sum payments, awards, overtime, benefits such as retirement, health care and life insurance, and other compensation such as holiday, Sunday, hazardous duty, reemployment annuitant and severance pays, night differential, non foreign Cost-of-Living Allowance, premium compensation for firefighters. Civilian FTP is presented as a count of full time positions, vice full time employees.

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications by Object Class

Not Applicable

I. Schedule of Working Capital Fund

Not Applicable

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Department of Homeland Security

United States Coast Guard

Strategic Context

Fiscal Year 2007

Congressional Justification

U. S. COAST GUARD
CONGRESSIONAL-STAGE REQUEST – Fiscal Year 2007
STRATEGIC CONTEXT

A. MISSION AND DESCRIPTION

The U. S. Coast Guard is the lead Federal agency for maritime homeland security and one of the five armed services of the United States of America. As such, it is an important element and enabler of U.S. national security strategies. The Coast Guard protects vital interests of the U. S. – the personal safety and security of our population, our natural and economic resources, and the territorial integrity of our maritime borders – from internal and external threats, natural and man made. The Coast Guard protects these interests in U.S. ports and inland waterways, along the coasts, on international waters or in any other maritime region where U. S. interests may be at risk. From 1915, when the U. S. Coast Guard was established by law as an armed service, it has been a **military, multi-mission, maritime service** possessing a unique blend of humanitarian, law enforcement, regulatory, diplomatic and military capabilities.

Major Commands:
Atlantic Command – Portsmouth, VA
Pacific Command – Alameda, CA
1st District – Boston, MA
5th District – Portsmouth, VA
7th District – Miami, FL
8th District – New Orleans, LA
9th District – Cleveland, OH
11th District – Alameda, CA
13th District – Seattle, WA
14th District – Honolulu, HI
17th District – Juneau, AK
Coast Guard Headquarters – Washington, D.C.

Employees:

Military	41,528
Civilian	7,244
Selected Reserves	8,100
Auxiliary	31,300

Major Assets:

Major Cutters	40
Patrol Boats	119
Icebreakers	11
Buoy Tenders	31
Helicopters	136
Fixed Wing Aircraft	57

Each of the Coast Guard's strategic roles is composed of specific statutorily mandated mission-programs[1], totaling 11 in all. Each mission-program, in turn, is based on one or more mandated or authorized duties. Many Coast Guard mission-programs benefit more than one role. For example, while our aids to navigation mission-program primarily supports our maritime mobility role by facilitating the movement of people and goods, the system of aids we maintain also supports our maritime safety and protection of natural resources role by preventing accidents. Table 1 shows the primary alignment among Coast Guard roles and mission-programs.

Categories[2]	Strategic Goals	Mission-Programs
Non-Homeland Security	Maritime Safety	Search and Rescue
		Marine Safety
	Maritime Mobility	Aids to Navigation
		Ice Operations
	Protection of Natural Resources	Marine Environmental Protection
		Living Marine Resources
	Maritime Security	Illegal Drug Interdiction
		Other Law Enforcement
Homeland Security		Migrant Interdiction
		Ports, Waterways and Coastal Security
	National Defense	Defense Readiness

Table 1

[1] The term "mission-program" is used by the Coast Guard to identify one of its 11 statutorily mandated missions that guide Coast Guard budget presentations as well as strategic planning, programming and performance.
[2] Categorization of mission-programs and respective funding is done in compliance with Section 889 of the Homeland Security Act of 2002.

B. Major Activities and Key Strategic Issues

Major Activities

Mitigating maritime risks requires a ready, capable Coast Guard force. The foundation of current and future enhancements remains Coast Guard readiness, a function of providing Coast Guard personnel with the tools and training necessary for the missions assigned and ensuring the fleets of Coast Guard cutters, aircraft and boats are able to maintain an effective and sustained presence in order to counter maritime threats. It is on that foundation that we will continue to enhance maritime capabilities. These enhancements will be based on priorities set by national strategies and the Secretary of Homeland Security; in particular, the Secretary's Six-Point Agenda outlined in July 2005.

No national strategy is more relevant to the historic roles and future needs of the Coast Guard than the *National Strategy for Maritime Security*. It set forth five Strategic Actions:

- **Enhance International Cooperation;**
- **Maximize Domain Awareness;**
- **Embed Security into Commercial Practices;**
- **Deploy Layered Security;**
- **Assure Continuity of the Marine Transportation System.**

The Coast Guard will execute these strategic actions through the lens of the homeland security agenda as summarized in Table 2 on the following page.

Key Strategic Issues

The United States remains engaged in a global struggle against extremism, with elements intent on harming the United States and its citizens. For the foreseeable future, terrorists and violent extremists will have the means and opportunity to target U.S. interests on a global scale using the oceans and maritime transportation system as a means for, as well as target of, attacks. These threats recognize no border and originate from organized groups and individuals operating within or outside the United States.

Protecting the homeland of a free society is a daunting task and one that is particularly difficult in the maritime domain. The oceans provide almost unrestricted access to the shores and the waterways that connect many American cities and the Nation's heartland. Distinct from other domains (e.g., air, cyber), the maritime domain has relatively few access barriers and provides an expansive pathway for a wide spectrum of threats.

Strategic Risks

Near-term threats are not likely to come from peer adversaries or massing opposition armies and navies, but rather highly mobile individuals and groups that are difficult to detect, track and interdict. Detecting such threats is an extreme challenge even within areas of undisputed U. S. jurisdiction. The United States is bounded but not protected by its ocean borders. Our maritime domain - the oceans, and thus the coastal approaches to the United States, must be viewed as they are: critical national borders that are expansive pathways for potential threats, ripe for exploitation and disruption.

The vastness of the maritime domain and the variety of risks it presents require a continual effort to better understand the nature and severity of risks so that we may apply resources, which are always finite, in the most efficient manner possible. Toward this end, the Coast Guard has deployed a number of tools at the port and national levels to assess and monitor risk in order to prioritize resource allocation. At the national level, this has included a National Maritime Strategic Risk Assessment (NMSRA) that serves to identify risk by Coast Guard strategic role. In assessing a variety of incidents affecting

U. S. COAST GUARD
CONGRESSIONAL-STAGE REQUEST – Fiscal Year 2007
STRATEGIC CONTEXT

DHS Six-Point Agenda	**National Strategy for Maritime Security**				
	Enhance International Cooperation	Maximize Domain Awareness	Embed Security into Commercial Practices	Deploy Layered Security	Assure Continuity of Marine Transportation System
Increase overall preparedness, particularly for catastrophic events	International Maritime Law Enforcement Training	CG partnerships with TRANSPORT Canada and allied exercises	Automatic Identification System (AIS) carriage requirements	**National Capital Region Air Defense** ($4M in FY06, $62.4M in FY07) **Marine Security Response Team** ($4.8M in FY07) **SCBA Implementation** ($7.2M in FY07)	National Response Options Matrix
Create better transportation security systems to move people and cargo more securely and efficiently	Foreign Port Security Assessment	**Nationwide AIS infrastructure** ($24M in FY06, $11.2M in FY07) **Maritime Domain Awareness** ($6.4M in FY07)	MTSA/ISPS enforcement Mariner Licensing Documentation Centralization	**Deepwater** ($724M in FY05, $924M in FY06, $934M in FY07)	National Response Options Matrix
Strengthen border security and interior enforcement and reform immigration processes	ISPS compliance lessons learned and best practices sharing	**Deepwater** ($724M in FY05, $924M in FY06, $934M in FY07)	Port State Control vessel targeting matrices	**Deepwater** ($724M in FY05, $924M in FY06, $934M in FY07) **Response Boat-Medium** ($12M in FY05, $18M in FY06, $25M in FY07)	**Rescue 21** ($94M in FY05, $41M in FY06, $40M in FY07)
Enhance information sharing with our partners	Coast Guard leadership within Int'l Maritime Organization	**Maritime Domain Awareness** ($22M in FY06, $6.4M in FY07)	National Maritime Security Advisory Committee	Partnerships and agreements with DOD and NORTHCOM	Area Maritime Security Committees
Realign the DHS organization to maximize mission performance	The Coast Guard has re-aligned its field infrastructure to **Sector Commands** in order to unify Coast Guard authorities and capabilities within U.S. ports. The Coast Guard plans to **relocate Coast Guard Headquarters** in order to enhance capability and efficiency. ($50.2M in FY07)				
Improve DHS financial management, HR development, procurement and IT	**CFO Act Remediation** ($2M in FY07)				

the accomplishment of Coast Guard strategic goals, maritime security risk (especially that related to terrorism) represents the largest portion of risk in the maritime domain as shown in Figure 1. Accordingly, enhancing maritime homeland security will necessarily remain the near-term focus of Coast Guard resource and policy enhancements.

As important as understanding the type of maritime risks is understanding where and how that risk can be mitigated. Nowhere is the need for an active, layered defense more important than the maritime domain. The flow of people, vessels and cargo through U.S. maritime borders is part of a complex and interdependent global system. It is a system wherein exclusive U.S. jurisdiction is limited but U.S.

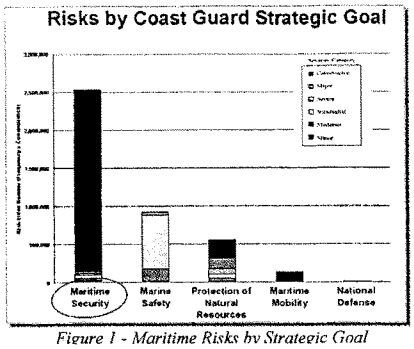


Figure 1 - Maritime Risks by Strategic Goal

interests are far-reaching. As a result, effective maritime homeland security must begin outside the homeland. International cooperation and engagement will continue to be critical pillars as we seek to enhance the security of the maritime domain. Identifying threats as far from U.S. shores as possible depends on our ability to improve awareness of the people, vessels and cargo approaching and moving throughout U.S. ports, coasts and inland waterways. Awareness is fundamental to enabling effective resource and operational decisions at every level of command - strategic, operational and tactical. However, awareness alone is not enough. Just as important will be equipping maritime first responders with the capabilities and competencies needed to accomplish the mission. For example, the advance information required of vessels arriving to the U.S is critical to understanding who and what is arriving in order to identify potential threats. However, if Coast Guard cutters and aircraft do not have the capabilities necessary to deal with identified threats early and effectively, an opportunity to mitigate risk is lost. Specific enhancements will continue to be needed not only to deal with potential threats within U.S. ports but also to ensure that when required, threats can be stopped before they ever reach U.S. ports. A guiding principle to each security enhancement will continue to be the facilitation of safe and secure maritime commerce. For example, funding appropriated in FY 2006 to restructure the Merchant Mariner Licensing and Documentation program ($12M) by centralizing critical security vetting and mariner credentialing processes in a new, enhanced National Maritime Center will dramatically improve security on our nation's waterways, while facilitating efficient service to mariners.

C. Resources Requested and Performance Impact

The 2007 Budget proposes a discretionary budget authority of over $7.1 billion for the Coast Guard, including $934 million for *Deepwater* modernization initiatives. *Deepwater* will transform the Coast Guard and enhance capabilities to meet current and future mandates through system-wide recapitalization and modernization of Coast Guard cutters, aircraft and associated subsystems. More capable and reliable cutters, boats, aircraft and associated systems will enhance safety and security in U.S. ports by improving the Coast Guard's ability to perform all its missions. *Deepwater* will improve the Department's ability to respond to security threats and reduce maritime security risk.

As a result of resources received, several Coast Guard programs have been able to set targets describing increased performance in the five-year outlook. For example, the planned FY 2007 Drug Interdiction performance increase of 4% in the cocaine removal rate is possible, in part, due to continued funding for Airborne Use of Force initiatives ($46M requested in FY 2007) and recent increases in Maritime Patrol Aircraft (MPA) hours ($6.1M requested in FY 2007). This performance increase is likely *despite* the temporary reduction in major cutter hours expected to occur in FY 2007 as a result of the medium endurance cutters undergoing Mission Effectiveness Projects ($37.8M), made necessary by the degradation of our legacy assets. The funds requested for the National Capitol Region Air Defense

($62.4M) initiative, and Maritime Security Response Teams ($4.8M) are critical to reducing the risk of attacks against high value assets and key infrastructure, a goal most closely aligned with the Ports, Waterways and Coastal Security (PWCS) mission-program, which encompasses the Coast Guard's efforts to prevent and protect against terrorist attacks. In addition, the funds requested ensure no degradation to other mission-programs by providing funds for additional airframes to sustain the increased mission demand.

Other increases in Coast Guard performance are better explained through the *holding steady* of performance levels against a more challenging future environment. An example is the Living Marine Resources (Domestic Fisheries Enforcement) mission-program which has forecasted its FY 2007 performance (97% compliance) at FY 2006 levels. Recent trends favor the growth of more-difficult-to-enforce regulations, such as individual fishing quotas and larger closed areas. Challenges like these compel the Coast Guard to seek internal efficiencies and improvements. The planned relocation to Alaska of a more capable high endurance cutter and the associated early decommissioning of the cutters STORIS and GENTIAN (reflecting a cost savings of $3.6M) are examples of positive steps the Coast Guard is taking to increase efficiencies within its budget while maintaining high mission performance. Other efficiencies include personnel reductions ($5M) and management efficiencies ($9.3M) that contribute to streamlining overhead costs – these efforts will allow us to re-direct funding towards sustaining our current operational tempo.

To date, eight mission programs – Search and Rescue, Aids to Navigation, Living Marine Resources, Marine Environmental Protection, Drug Interdiction, Other Law Enforcement (i.e. Foreign Fisheries/EEZ Enforcement), Migrant Interdiction and Ice Operations have been reviewed by OMB's Program Assessment Rating Tool (PART) in the course of the FY 2004, 2005 and 2006 budget cycles. A ninth mission-program – Marine Safety – is presently being reviewed by OMB for the 2007 budget cycle. The PART has fostered the identification of both specific mission-program performance and enterprise wide improvement opportunities upon which the Coast Guard continues to act. In addition, the Coast Guard has acted upon PART recommendations regarding the use of independent program evaluations for improving performance and efficiency, and teamed with the Center for Naval Analyses (CNA) to conduct an evaluation of the Migrant Interdiction mission program. The results of CNA's evaluation were overwhelmingly positive, and the Coast Guard has since commissioned similarly designed studies of its Search and Rescue, Living Marine Resources and Other Law Enforcement mission-programs.

With respect to specific mission-program improvement recommendations, the PART has proven quite valuable to the Coast Guard. The Coast Guard continues to strive toward improving its drug interdiction performance via capability initiatives, such as the *Deepwater* and the expanded use of armed helicopters, and partnership initiatives such as bilateral counter-drug agreements with countries bordering the Caribbean and Eastern Pacific. In the Search and Rescue arena, the ongoing development and fielding of Rescue 21 ($40M requested in FY 2007), combined with the introduction of follow-on 87-foot coastal patrol boats, the addition of over 500 personnel to our multi-mission stations and command centers ($6.6M in follow-on requested in FY 2007), as well as enhancements to the Motor Lifeboat School and Boatswain's Mate "A" School all serve as key capability and competency improvements focused on addressing gaps identified in the SAR mission-program's FY 2004 PART review. In response to OMB's recommendations following the FY 2006 PART review of the Ice Operations mission-program, the Coast Guard worked with the National Science Foundation, DHS and OMB to restructure the budget framework that supports the Polar Icebreaking program component. Within the Domestic Icebreaking component, the PART spurred efforts within the Coast Guard to pursue performance measurement improvements.. Finally, the FY 2006 review of the Migrant Interdiction mission-program – combined with the PART-aligned and inspired CNA evaluation that was conducted – resulted in a host of improvements to program planning, measurement and management.

D. Program and Performance Goal Alignment to DHS Strategic Plan Objectives

The 11 Coast Guard mission-programs and their long-term performance goals are listed below, followed by the DHS strategic objective(s) they support.

Search and Rescue – The Coast Guard's long-term goal is to save mariners in imminent danger on our Nation's oceans and waterways.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- RESPONSE Objective 4.3: Provide search and rescue services to people and property in distress.

Marine Safety – The Coast Guard's long-term goal is to eliminate maritime fatalities and injuries on our Nation's oceans and waterways.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- PREVENTION Objective 2.5: Strengthen the security of the Nation's transportation systems.

Aids to Navigation – The Coast Guard's long-term goal is to eliminate collisions, allisions and groundings by vessels on our Nation's oceans and waterways.

- AWARENESS Objective 1.1: Gather and fuse all terrorism related intelligence; analyze and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- SERVICE Objective 6.4: Facilitate the efficient movement of legitimate cargo and people

Ice Operations – The Coast Guard's long-term goal is to maintain operational channels for navigation, limiting channel closures to two days (during average winters) and eight days (during severe winters).

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- SERVICE Objective 6.4: Facilitate the efficient movement of legitimate cargo and people.

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Marine Environmental Protection (MEP) – The Coast Guard's long-term goal is to eliminate oil spills and chemical discharge incidents.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- PROTECTION Objective 3.6: Protect the marine environment and living marine resources.
- RESPONSE Objective 4.1: Reduce the loss of life and property by strengthening nationwide response readiness.
- RESPONSE Objectives 4.2: Provide scalable and robust all-hazard response capability.
- RECOVERY Objective 5.2: Provide scalable and robust all-hazard recovery assistance.

Living Marine Resources (LMR) – The Coast Guard's long-term goal is to achieve sustained fisheries regulation compliance on our Nation's Oceans.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- PROTECTION Objective 3.6: Protect the marine environment and living marine resources.

Illegal Drug Interdiction – The Coast Guard's long-term goal is to reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- PREVENTION Objective 2.1: Secure our borders against terrorists, means of terrorism, illegal drugs, and other illegal activity.

Undocumented Migrant Interdiction – The Coast Guard's long-term goal is to eliminate the flow of undocumented migrants via maritime routes to the U.S.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- PREVENTION Objective 2.1: Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity.

- SERVICE Objective 6.3: Support the United States humanitarian commitment with flexible and sound immigration and refugee programs.

Other Law Enforcement – The Coast Guard's long-term goal is to reduce the numbers of vessel incursions into the United States Exclusive Economic Zone (EEZ).

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- PREVENTION Objective 2.1: Secure our borders against terrorists, means of terrorism, illegal drugs and other illegal activity.

Ports, Waterways, and Coastal Security (PWCS) – The Coast Guard's long-term goal is to reduce homeland security risk in the maritime domain.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.
- PREVENTION Objective 2.1: Secure our borders against terrorists, means of terrorism, illegal drugs, and other illegal activity.
- PREVENTION Objective 2.5: Strengthen the security of the Nation's transportation systems.
- PROTECTION Objective 3.1: Protect the public from acts of terrorism and other illegal activity.
- RESPONSE Objective 4.1: Reduce the loss of life and property by strengthening nationwide response readiness.
- RESPONSE Objective 4.2: Provide scalable and robust all-hazard response capability.

Defense Readiness – The Coast Guard's long-term goal is to support our national security and military strategies by ensuring assets are at the level of readiness required by the combatant commander.

- AWARENESS Objective 1.1: Gather and fuse all terrorism-related intelligence; analyze, and coordinate access to information related to potential terrorist or other threats.
- AWARENESS Objective 1.4: Develop a common operating picture for domestic situational awareness, including land, sea, and air.

PREVENTION Objective 2.4: Ensure national and international policy, law enforcement, and other actions to prepare for and prevent terrorism are coordinated.

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E. PERFORMANCE BASED BUDGET HIGHLIGHTS BY PROGRAM

The Coast Guard's Mission Cost Model (MCM) is a modern, flexible and agile tool that enables the Coast Guard to use activity-based costing techniques to allocate direct, indirect and support costs to mission-programs and the strategic goals and objectives that they support. As a result, greater transparency is realized with respect to the relationship between resources consumed and the results achieved by Coast Guard programs. The performance based budget projection that the MCM provides is key not only to the Coast Guard's budget processes, but to other related macro-level policies and initiatives, such as the President's Management Agenda initiative of Budget and Performance Integration, OMB Program Assessment Rating Tool (PART) reviews, and the Government Performance and Results Act. The following tables provide program-specific information that shows the relationship between budgetary funding and personnel resources, and the lead outcome performance goals that have been established for each of the Coast Guard's 11 mission programs.

Performance Goal: Eliminate collisions, allisions and groundings by vessels on our Nation's oceans and waterways.						
Measure: Five-Year Average of Number of Collisions, Allisions, and Groundings (CAG)	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	2,010 or fewer	1,923 or fewer	1,831 or fewer	1,748 or fewer	1,664 or fewer
	Actual	1,523	1,876	1825		
Program: Aids to Navigation (AtoN)	$ Thousands	$928,429	$945,827	$1,152,794	$1,086,817	$1,060,816
	FTE	7,804	6,749	6,985	7,521	7,512

Performance Goal: Support our national security and military strategies by ensuring assets are at the level of readiness required by the combatant commander.						
Measure: Percent of time that Coast Guard assets included in the Combatant Commander Operational Plans are ready at a Status of Resources and Training System (SORTS) rating of 2 or better.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	100	100%	100%	100%	100%
	Actual	78	76%	69		
Program: Defense Readiness	$ Thousands	$586,733	$229,068	$612,554	$615,814	$602,632
	FTE	461	996	2,942	2,079	2,109

Performance Goal: Reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources.						
Measure: Removal rate for cocaine that is shipped via non-commercial maritime means.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target		15%	19%	22%	26%
	Actual		30.7%	Estimate (as of 9/30/05) 137.5 Metric Tons Seized. Final percent removal pending release of the Defense Intelligence Agency's annual Interagency Assessment of Cocaine Movement report expected to be released by May 2006.		
Program: Drug Interdiction	$ Thousands	$747,820	$907,232	$1,017,478	$1,211,218	$1,239,474
	FTE	5,579	5,494	4,662	6,301	6,322

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Performance Goal: Maintain operational channels for navigation, limiting channel closures to two days (during average winters) and eight days (during severe winters).						
Measure: Limit the number of days critical waterways are closed due to ice to 2 days in an average winter and 8 days in a severe winter.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	2(avg), 8 (severe)	2(avg), 8 (severe)	2(avg), 8 (severe)	2(avg), 8 (severe)	2(avg), 8 (severe)
	Actual	7 (severe)	4 closure days, average winter	0 Closures		
Program: Ice Operations	$ Thousands	$195,024	$184,793	$185,926	$151,406	$146,938
	FTE	1,529	1,295	1,149	907	911

Performance Goal: Achieve sustained fisheries regulation compliance on our Nation's Oceans.						
Measure: Percent of fishermen complying with federal regulations.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	97	97	97	97	97
	Actual	97	96.3%	96.4%		
Program: Living Marine Resources (LMR)	$ Thousands	$503,580	$741,938	$720,113	$809,441	$808,968
	FTE	4,004	4,567	4,022	4,212	4,236

Performance Goal: Eliminate oil spills and chemical discharge incidents.						
Measure: The five-year average number of U.S. Coast Guard investigated oil spills greater than 100 gallons and chemical discharges into the navigable waters of the U.S. per 100 million short tons of chemical and oil products shipped in U.S. waters.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	42.6 or less	41 or less	20 or less	19 or less	19 or less
	Actual	29.4	22.1	18.5		
Program: Marine Environmental Protection (MEP)	$ Thousands	$242,008	$349,570	$255,124	$387,232	$331,710
	FTE	1,272	1,944	1,460	1,360	1,376

Performance Goal: Eliminate maritime fatalities and injuries on our Nation's oceans and waterways.						
Measure: Maritime Injury and Fatality Index.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	1,543	1,513	1,317	1,280	1,273
	Actual	1,307	1,293	1,304		
Program: Marine Safety	$ Thousands	$466,582	$487,391	$613,843	$741,574	$677,699
	FTE	3,159	3,223	5,528	4,005	3,996

Performance Goal: Eliminate the flow of undocumented migrants via maritime routes to the U.S.						
Measure: Percentage of undocumented migrants who attempt to enter the U.S. via maritime routes that are interdicted or deterred.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	87%	87%	88%	89%	91%
	Actual	85.3%	87.1%	85.5%		
Program: Migrant Interdiction	$ Thousands	$449,315	$244,803	$548,675	$462,011	$486,625
	FTE	2,327	1,518	3,065	2,455	2,511

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Performance Goal: Reduce the numbers of vessel incursions into the United States Exclusive Economic Zone (EEZ).						
Measure: Number of incursions into the U.S. Exclusive Economic Zone.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	202	202	200	199	199
	Actual	153	247	171		
Program: Other LE (law enforcement)	$ Thousands	$274,300	$102,958	$94,642	$143,924	$152,569
	FTE	2,008	657	445	710	723

Performance Goal: Reduce homeland security risk in the maritime domain.						
Measure: Ports, Waterways, and Coastal Security Risk Index *	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target			Full implementation of planned activities geared towards lowering the risk due to terrorism in the maritime domain.	Full implementation of planned activities geared toward lowering the risk due to terrorism in the maritime domain.	A reduction of 15% to that quantifiable Maritime Risk that the Coast Guard is able to impact.
	Actual		Not Reported	Activities implemented as planned. Risk index (for that quantifiable risk that the Coast Guard is able to impact) was estimated to have been reduced by approximately 14%. (Or, approximately 4% of *all* of the estimated maritime risk was reduced.)		
Program: Ports Waterways and Coastal Security (PWCS)	$ Thousands	$1,736,024	$1,833,794	$1,625,391	$1,734,717	$2,034,848
	FTE	11,613	14,670	12,268	12,916	13,206

* Beginning in FY 2005, the Coast Guard is using a new risk index to demonstrate its PWCS performance. This first time effort is a baseline that will be refined and improved upon in the next several years as the modeling, simulation, and analysis of terror-attack scenarios improves. These risk reduction estimates represent the Coast Guard's initial estimate of its outcome performance, expressed as a percent reduction of that portion of the risk the Coast Guard can mitigate. The assessment is based on national threat assessment data and standardized actuarial methodologies. This risk measurement method builds upon industry assessment models, and provides for a balanced management approach to dealing with an unknown adversary: one that requires careful focus on prevention (threat), protection (vulnerability), and response - in the event an attack occurs (consequence). This scenario-based approach is accepted as a best practice and way ahead among GAO, academia, and the private sector (insurance and other industries).

This first risk-reduction analysis was largely an internal, self assessment. Improved, future iterations will seek to validate the process and improve the accuracy of the conclusions by including external stakeholders from among the maritime community. Specifically, external validation will be sought to refine the estimate of how much (and of which type) of maritime security risk the Coast Guard itself is most responsible for mitigating.

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Performance Goal: Save mariners in imminent danger on our Nation's oceans and waterways.						
Measure: Percent of mariners in imminent danger saved.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	85% lives saved	85% lives saved	86% lives saved	86% lives saved	86% lives saved
	Actual	87.7%	86.8%	86.10%		
Program: Search and Rescue (SAR)	$ Thousands	$681,978	$1,575,664	$910,887	$956,039	$879,796
	FTE	4,861	4,845	4,136	4,655	4,696

Digest of FY 2007 Budget Estimates by Activity and FYHSP Program
U. S. Coast Guard
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Enacted		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
1. Maritime Safety	**9,664**	**$ 1,524,730**	**8,660**	**$ 1,697,613**	**8,692**	**$ 1,557,495**	**32**	**$ (140,118)**	**8**	**$ (73,589)**	**20**	**$ (53,482)**
Search and Rescue (SAR)	4,136	910,887	4,655	956,039	4,696	879,796	41	(76,243)	18	(39,404)	20	(29,680)
Marine Safety	5,528	613,843	4,005	741,574	3,996	677,699	(9)	(63,875)	(10)	(34,185)	-	(23,802)
2. Maritime Mobility	**8,134**	**$ 1,338,720**	**8,428**	**$ 1,238,223**	**8,423**	**$ 1,207,754**	**(5)**	**$ (30,469)**	**(12)**	**$ (5,125)**	**6**	**$ (25,927)**
Aids to Navigation (AtoN)	6,985	1,152,794	7,521	1,086,817	7,512	1,060,816	(9)	(26,001)	(11)	(1,331)	1	(25,128)
Ice Operations (IO)	1,149	185,926	907	151,406	911	146,938	4	(4,468)	(1)	(3,794)	5	(799)
3. Protection of Natural Resources	**5,482**	**$ 975,237**	**5,572**	**$ 1,196,673**	**5,612**	**$ 1,140,678**	**40**	**$ (55,995)**	**19**	**$ (11,291)**	**19**	**$ (43,945)**
Marine Environmental Protection (MEP)	1,460	255,124	1,360	387,232	1,376	331,710	16	(55,522)	9	(11,011)	6	(43,359)
Living Marine Resources (LMR)	4,022	720,113	4,212	809,441	4,236	808,968	24	(473)	10	(280)	13	(586)
4. Maritime Security	**20,440**	**$ 3,286,186**	**22,382**	**$ 3,551,870**	**22,762**	**$ 3,913,516**	**380**	**$ 361,646**	**68**	**$ 149,807**	**283**	**$ 180,384**
Drug Interdiction	4,662	1,017,478	6,301	1,211,218	6,322	1,239,474	21	28,256	11	(5,738)	9	33,154
Migrant Interdiction	3,065	548,675	2,455	462,011	2,511	486,625	56	24,614	7	5,681	44	16,021
Other Law Enforcement (Oth-LE)	445	94,642	710	143,924	723	152,569	13	8,645	6	4,910	7	3,641
Ports, Waterways, and Coastal Security (PWCS)	12,268	1,625,391	12,916	1,734,717	13,206	2,034,848	290	300,131	44	144,954	223	127,568
5. National Defense	**2,942**	**$ 612,554**	**2,079**	**$ 615,814**	**2,109**	**$ 602,632**	**30**	**$ (13,182)**	**8**	**$ (14,487)**	**22**	**$ 4,346**
Defense Readiness (DR)	2,942	612,554	2,079	615,814	2,109	602,632	30	(13,182)	8	(14,487)	22	4,346
Subtotal, Budget Authority (All Sources)	**46,662**	**7,737,427**	**47,121**	**8,300,193**	**47,598**	**8,422,075**	**477**	**121,882**	**91**	**45,315**	**350**	**61,376**

Department of Homeland Security
Science and Technology Directorate
Total Appropriated
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program		Adjustments-to-Base	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and Administration												
Office of the Under Secretary	40	6,172	40	6,414	40	7,594	-	1,180				1,180
Other Salaries and Expenses	280	62,371	347	73,874	343	188,307	(4)	114,433	-	1,000	(4)	113,433
Subtotal Management and Administration	320	68,543	387	80,288	383	195,901	(4)	115,613	-	1,000	(4)	114,613
Research & Development												
Bio Countermeasures		332,571		376,200	-	337,200	-	(39,000)	-	2,000		(41,000)
NBACC		119,437		-		-		-				-
Chemical Countermeasures		61,393		94,050		83,092		(10,958)				(10,958)
Explosives Countermeasures 1/		18,826		43,560		86,582		43,022				43,022
Radiological and Nuclear Countermeasures		131,397		18,895		-		(18,895)				(18,895)
Domestic Nuclear Detection Office		-		314,834		-		(314,834)				(314,834)
Subtotal, Rad/Nuc & DNDO		*131,397*		*333,729*		-		(333,729)				(333,729)
Threat Awareness Portfolio 2/		84,315		42,570		39,851		(2,719)				(2,719)
Standards		39,903		34,650		22,131		(12,519)				(12,519)
Support to the Components 1/		52,141		79,200		88,622		9,422				9,422
University and Fellowship Programs		113,522		62,370		51,970		(10,400)				(10,400)
Emerging Threats 3/		13,272		7,920		-		(7,920)				(7,920)
Rapid Prototyping 3/		65,626		34,650		-		(34,650)				(34,650)
Emergent and Prototypical Technology 3/						19,451		19,451				19,451
Counter MANPADS		51,820		108,900		4,880		(104,020)				(104,020)
SAFETY Act		1,061		6,930		4,710		(2,220)				(2,220)
Office for Interoperability and Compatibility		6,744		26,235		29,735		3,500				3,500
Critical Infrastructure Protection		65,313		40,392		15,413		(24,979)				(24,979)
Cyber Security		17,690		16,533		22,733		6,200	-	7,100		(900)
Research and Development Consolidation 1/		-		98,898		-		(98,898)				(98,898)
Subtotal Research and Development		1,175,031		1,406,787	-	806,370	-	(600,417)	-	9,100		(609,517)
Subtotal, Enacted Appropriations and Budget Estimates	**320**	**1,243,574**	**387**	**1,487,075**	**383**	**1,002,271**	**(4)**	**(484,804)**	-	10,100	**(4)**	**(494,904)**
Less Prior Year Rescission, P.L. 109-90				(20,000)								
Net, Enacted Appropriations and Budget Estimates	**320**	**1,243,574**	**387**	**1,467,075**	**383**	**1,002,271**	**(4)**	**(484,804)**	-	10,100	**(4)**	**(494,904)**

1/ R&D Consolidation resources requested in FY 2006 are realigned in FY 2007 as follows: $99 million for TSL to Explosives Countermeasures and Support to the Components -BTS.

2/ Formerly Threat and Vulnerability, Testing and Assessment
3/ Formerly Emerging Threats and Rapid Prototyping

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ii Homeland and Non-Homeland Allocation

Department of Homeland Security
Science and Technology Directorate
Homeland and Non-Homeland by Program/Project Activity
(Dollars in Thousands)

	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
BUDGET ACTIVITY	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and Administration			40	6,315	40	6,315			40	6,414	40	6,414			40	7,593	40	7,593
Office of the Under Secretary			280	62,271	280	62,271			347	73,874	347	73,874			343	188,307	343	188,307
Other Salaries and Expenses															383	195,901	383	195,901
Subtotal Management and Administration	-	-	320	68,586	320	68,586			387	80,288	387	80,288						
Research & Development																		
Bio Countermeasures		362,650			-	362,650		376,200			-	376,200	-	337,200			-	337,200
NBACC		15,000			-	15,000		-			-	-		-			-	-
Chemical Countermeasures		53,000			-	53,000		94,050			-	94,050		83,092			-	83,092
Explosives Countermeasures 1/		19,700			-	19,700		43,560			-	43,560		86,382			-	86,382
Radiological and Nuclear Countermeasures		122,614			-	122,614		18,895			-	18,895		-			-	-
Domestic Nuclear Detection Office					-	-		314,834			-	314,834		-			-	-
Subtotal, Rad/Nuc & DNDO		*122,614*		-	-	*122,614*		*333,729*		-	-	*333,729*		-		-	-	-
Threat Awareness Portfolio 2/		65,800			-	65,800		42,570			-	42,570		39,851			-	39,851
Standards		39,700			-	39,700		34,650			-	34,650		22,131			-	22,131
Support to the Components 1/		54,650			-	54,650		79,200			-	79,200		88,622			-	88,622
University and Fellowship Programs		70,000			-	70,000		62,370			-	62,370		31,970			-	31,970
Emerging Threats		10,750			-	10,750		7,920			-	7,920		-			-	-
Rapid Prototyping		76,000			-	76,000		34,650			-	34,650		-			-	-
Emergent and Prototypical Technology					-	-		-			-	-		19,451			-	19,451
Counter MANPADS		64,000			-	61,000		108,900			-	108,900		4,880			-	4,880
SAFETY Act		10,000			-	10,000		6,930			-	6,930		4,710			-	4,710
Office for Interoperability and Compatibility		21,000			-	21,000		26,235			-	26,235		29,735			-	29,735
Critical Infrastructure Protection		27,000			-	27,000		40,392			-	40,392		13,413			-	13,413
Cyber Security		18,600			-	18,600		16,533			-	16,533		22,733			-	22,733
Research and Development Consolidation 1/		-			-	-		98,898			-	98,898		-			-	-
Subtotal Research and Development		1,046,864		-		1,046,864		1,406,787				1,406,787	-	806,370			-	806,370
Subtotal, Budget Authority	-	1,046,864	320	68,586	320	1,115,450		1,406,787	387	80,288	387	1,487,075	-	806,370	383	195,901	383	1,002,271
Less Prior Year Rescission, P.L. 109-90												(20,000)						
Total expected appropriations and budget estimates	-	1,046,864	320	68,586	320	1,115,450		1,406,787	387	80,288	387	1,467,075		806,370	383	195,901	383	1,002,271

iii. Status of Congressional Requested Studies and Reports

Department of Homeland Security, Science and Technology Directorate

1. The Intelligence Reform and Terrorism Prevention Act of 2005 (PL 108-458) directs the Under Secretary to submit a report describing DHS' plans to secure airports and the aircraft arriving and departing from airports against Man-Portable Air Defense Systems (MANPADS) attacks. This is a joint S&T/TSA report. We anticipate delivery to Congress by February 28, 2006.

2. The Intelligence Reform and Terrorism Prevention Act of 2005 (PL 108-458) directs the Under Secretary to submit a report the pilot program to test various advanced technologies that will improve border security between ports of entry along the northern border of the U.S., which shall include: (1) a discussion of the implementation of the pilot program, including the experience under the pilot program; and (2) a recommendation regarding whether to expand the pilot program along the entire northern border of the U.S. and a timeline for the implementation of the expansion. We anticipate delivery to Congress by January 31, 2006.

3. House Appropriations Report HR109-79 recognizes that the Committee is aware that Science and Technology, in cooperation with Transportation Security Administration and U.S. Customs and Border Protection, has a number of initiatives underway concerning the security of containers, including the detection of materials within the container and the security of the container itself. S&T is looking to assure the integrity of conveyance loading and documentation; significantly reduce the risk of undetected tampering in transit; and provide accurate, complete, timely and protected shipment information while enhancing supply chain efficiency. These initiatives are underway through the solicitation of technologies through a small business innovative research effort and a broad agency announcement. The Committee continues to support this important effort and urges S&T to accelerate its efforts where possible and to report to the Committee by February 10, 2006 on its progress to date. . We anticipate delivery to Congress by February 10, 2006.

4. House Appropriations Report HR109-79 directs Science and Technology to develop standards and testing protocols for measuring performance of blast-resistant products, and initiate testing of both installed and new products. The Committee further directs Science and Technology to report back on the status of this effort no later than January 16, 2006. We anticipate delivery to Congress by February 10, 2006.

5. House Appropriations Report HR109-79 directs the SAFETY Act Office to report to the Committee on the status of applications, certification decisions, its actions to speed up this process, and efforts to streamline the application process by January 16, 2006. We anticipate delivery to Congress by February 10, 2006.

6. House Appropriations Report HR109-79 states that merging multiple agencies in the formation of the Department created overlapping activities, such as addressing interoperability and assessment of technology and equipment. The Committee strongly supports Office of Interoperability and Compatibility (OIC) efforts to align these programs to ensure conformance, compatibility and interoperability as well as steps to enhance training and communications. The Committee specifically notes the critical work done by the Risk Assessment Policy working group to align risk assessment policies and methodologies and directs OIC to report to the Committee on the status of its efforts. We anticipate delivery to Congress by February 10, 2006.

7. The Intelligence Reform and Terrorism Prevention Act of 2005 (PL 108-458) directs the Secretary to submit a final report regarding the interagency communications pilot projects required by Section 7304 paragraph (a) not later than 18 months after the date of enactment of this Act. We anticipate delivery to Congress by June 17, 2006.

8. House Appropriations Report HR109-79 funded three cargo screening pilot programs -- one at an all cargo airport and two at top ten passenger cargo airports. The Committee expects each of these pilots to be no shorter than nine months in duration and all pilots to be completed by January 31, 2007. A comprehensive report on each pilot program two months after each is completed and interim reports of progress and results no later than August 31, 2006. We anticipate delivery of all reports in sequence to Congress as required, with the final report delivered by August 31, 2006.

9. The Real ID Act (PL 109-13, Division B, Section 302) directs the DHS Under Secretary for S&T, in consultation with the Under Secretaries for BTS and IAIP and the Secretary of Defense to develop and implement a pilot program to utilize, or increase the utilization of, ground surveillance technologies to enhance U.S. border security (see section for additional requirements of pilot program). BTS is responsible for implementation. The Under Secretary for S&T shall submit a report to Congress on the pilot program no later than one year after implementation. We anticipate delivery to Congress by May 11, 2006.

10. Senate Appropriations Report SR 109-83 directs the Under Secretary for S&T, in coordination with the Administrator of the TSA, to provide a report on progress made in the development or acquisition of technologies that will enable TSA to increase the amount of air cargo that is screened no later than February 18, 2006. We anticipate delivery to Congress by February 10, 2006.

11. In Public Law 108-334, Congress provided additional resources for development of an air-to-ground communications capability for the Federal Air Marshals. In SR 109-83 the Senate Appropriations Committee directs S&T to submit a status report on efforts achieved to date no later than February 18, 2006. We anticipate delivery to Congress by February 10, 2006.

12. House Appropriations Report HR109-79 directs the Department to develop and report to the Committee 180 days after enactment of this Act on its business model to address: (1) the process that determines goods and services needed; (2) how information about needs will be spread to the marketplace; (3) where individuals with ideas and products can be heard; (4) the development of needed technology transfer programs; (5) the certification process for appropriate products; (6) how the Department can build future funding into its budgetary process so that the Department can begin procurement immediately upon certification; (7) how the rate of deployment can be enhanced; and (8) how to integrate an ombudsman function to direct inquiries and correct problems. The report should outline how S&T is addressing the above and any other issues the Department believes are relevant, how far along the Department is in implementing the business plan, and indicate what challenges it faces toward full implementation. The report shall also include recommendations to help the process of assessment, certification, transparency of review and deployment of goods and services. We anticipate delivery to Congress by April 15, 2006.

13. House Appropriations Report 109-241 directs the Secretary to advise the Committees on Appropriations on the distribution of the recession prior to its implementation. Of the unobligated balances from prior year appropriations made available for Science and Technology 'Research, Development, Acquisition, and Operations', $20,000,000 are rescinded. We anticipate delivery to Congress by February 28, 2006.

iv. Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Science and Technology Directorate
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

	Last Year of Authorization	Authorized Level	Appropriation in Last Year of	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Management and Administration	**2003**	**/1**	**N/A**	**$195,901**
Office of the Under Secretary	2003		N/A	7,594
Other Salaries and Expenses	2003		N/A	188,307
Research & Development	**2003**	**/1**	**N/A**	**806,370**
Bio Countermeasures	2003		N/A	337,200
NBACC	2003		N/A	---
Chemical Countermeasures	2003		N/A	83,092
Explosives Countermeasures	2003		N/A	86,582
Radiological and Nuclear Countermeasures	2003		N/A	---
Domestic Nuclear Detection Office	2003		N/A	---
Threat Awareness Portfolio	2003		N/A	39,851
Standards	2003		N/A	22,131
Support to the Components	2003		N/A	88,622
University and Fellowship Programs	2003		N/A	51,970
Emerging Threats	2003		N/A	---
Rapid Prototyping	2003		N/A	---
Emergent and Prototypical Technology	2003		N/A	19,451
Counter MANPADS	2003		N/A	4,880
SAFETY Act	2003		N/A	4,710
Office for Interoperability and Compatibility	2003		N/A	29,735
Critical Infrastructure Protection	2003		N/A	15,413
Cyber Security	2003		N/A	22,733
Research and Development Consolidation	2003		N/A	---
Total Direct Authorization/Appropriation				**$1,002,271**

/1 Such sums as necessary for research, development, demonstration, testing and evaluation.

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Department of Homeland Security

Science and Technology Directorate

Management and Administration

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Science and Technology Directorate
Management and Administration

I. Appropriation Overview

A. Mission Statement for Management and Administration:

The Management and Administration appropriation provides for execution of salaries and expense related to 383 Full Time Equivalent (FTE) for Headquarters and field operations. Field operations include the National Biodefense Analysis and Countermeasures Center (NBACC), Plum Island, Environmental Measurements Laboratories (EML) and the Transportation Security Laboratory (TSL).

B. Budget Activities:

Office of the Under Secretary for Science and Technology – The Management and Administration appropriation provides for salaries and expenses related to 40 FTE personnel in the Office of the Under Secretary for Science and Technology. These personnel perform functions including executive directions of S&T policy analysis, planning, and guidance formulation

Other Salaries and Expenses – The Management and Administration appropriation provides for salaries and expense related to 343 FTEs personnel at the Science and Technology Directorate Headquarters and field operations. These personnel perform such functions as execution oversight, operations and maintenance support, program analysis and execution, etc. Field operations include the NBACC, Plum Island, EML, and the TSL.

In FY 2007, additional resources are required to fully fund 383 FTE, as well as all operations and maintenance costs for Plum Island, EML, and NBACC previously funded through Research and Development (R&D) program resources.

C. Budget Request Summary

The Management and Administration requests 383 positions, 383 FTE, and $195,901,000 for FY 2007 Request. The total adjustment-to-base is (4) FTE and $114,613,000. A program increase of $1,000,000 is requested for:

- Compliance with Public Law 108-330, *The Department of Homeland Security Financial Accountability Act*. The Act requires that the annual Performance and Accountability Report (PAR) include an assertion by the Secretary on the adequacy of internal controls that apply to financial reporting.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program		Adjustments-to-Base	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Management and Administration												
Office of the Under Secretary	40	6,172	40	6,414	40	7,594	-	1,180				1,180
Other Salaries and Expenses	280	62,371	347	73,874	343	188,307	(4)	114,433	-	1,000	(4)	113,433
Subtotal, Enacted Appropriations and Budget Estimates	**320**	**68,543**	**387**	**80,288**	**383**	**195,901**	**(4)**	**115,613**	**-**	**1,000**	**(4)**	**114,613**
Net, Enacted Appropriations and Budget Estimates	**320**	**68,543**	**387**	**80,288**	**383**	**195,901**	**(4)**	**115,613**	**-**	**1,000**	**(4)**	**114,613**

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III. Current Services Program Description by PPA

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Program Performance Justification
(Dollars in thousands)

OFFICE OF THE UNDER SECRETARY

	Perm Pos.	FTE	Amount
2005 Actual	**40**	**40**	**$6,172**
2006 Revised Enacted	**40**	**40**	**6,414**
2007 Adjustments to Base	-	-	1,180
2007 Current Services	**40**	**40**	**7,594**
2007 Program Change	-	-	-
2007 Request	**40**	**40**	**7,594**
Total Change 2006-2007	-	-	1,180

Science and Technology Directorate requests $7.6 million for this activity. This is an increase of $1.2 million over FY 2006 for pay and non-pay inflation and fully funds 40 FTE.

CURRENT SERVICES PROGRAM DESCRIPTION: The Management and Administration appropriation provides for execution of salaries and expenses related to 40 FTEs within the Office of the Under Secretary for Science and Technology.

OTHER SALARIES AND EXPENSES

	Perm Pos.	FTE	Amount
2005 Actual	**280**	**280**	**$62,371**
2006 Revised Enacted	**347**	**347**	**73,874**
2007 Adjustments to Base	(4)	(4)	113,433
2007 Current Services	**343**	**343**	**187,307**
2007 Program Change	-	-	1,000
2007 Request	**343**	**343**	**188,307**
Total Change 2006-2007	-	-	114,433

Science and Technology Directorate requests $188.3 million for this activity. This is an increase of $114,433 million over FY 2006 which includes increases for pay and non-pay inflation. Additionally, S&T is realigning resources from Research and Development appropriation to Management and Administration appropriations ($112,013). An increase of $1 million is requested for Internal Control Audit costs.

CURRENT SERVICES PROGRAM DESCRIPTION: The Management and Administration appropriation provides for execution of salaries and expense related to 343 FTEs at the Science and Technology Directorate Headquarters and field operations. Field operations include the National Biodefense Analysis and Countermeasures Center (NBACC), Plum Island, Environmental Measurements Laboratories (EML), and the Transportation Security Laboratory (TSL).

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Justification of Program Changes

Program Increase 1: Internal Controls/Audit $1,000,000

Strategic Goal(s) & Objective(s):
7.3 Continually improve our way of doing business.

PPA: Management and Administration, Salaries and Expenses

Program Increase: Positions 0 FTE 0 Dollars $1,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									0
Program Increase									1,000
Total Request	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**$1,000**

Description of Item
One million dollar increase is to provide support for a Department-wide internal controls audit.

Justification
An increase of $1,000,000 is requested for compliance with Public Law 108-330, *The Department of Homeland Security Financial Accountability Act*. The Act requires that the annual Performance and Accountability Report (PAR) include an assertion by the Secretary on the adequacy of internal controls that apply to financial reporting. In addition, the Act requires the Secretary to include an audit opinion over the Department's internal controls over financial reporting.

These requirements for internal control reporting and audit impose significant management challenges and resource demands on the Department and its components. To comply with the Act the Department's components must obtain contractor support to:

- provide training,
- develop internal control process analysis documentation,
- perform internal control test of design and test of operating effectiveness,
- develop significant remediation strategies for material weaknesses in internal control, and
- provide project management support for the Department's Internal Control Committee.

The Department's Independent Government Cost Estimate is based on audit hour estimates from the Department's Financial Statement audit.

Impact on Performance (Relationship of Increase to Strategic Goals)
A sound and reliable internal controls audit will enable the Department to focus on its goal of building, sustaining, and improving the Nation's capability to prevent terrorist attacks in the United States. A clean audit will ensure the public that funds are being used properly and effectively, so that the true mission of the organization is the focus of the Department's efforts.

V. Exhibits and Other Support Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Justification of Proposed Changes in Management and Administration
Appropriation Language

For salaries and expenses of the Office of the Under Secretary for Science and Technology and for management and administration of programs and activities, as authorized by title III of the Homeland Security Act of 2002 (6 U.S.C. 181 et seq.), [$81,099,000] ***$195,901,000***: Provided, That not to exceed $3,000 shall be for official reception and representation expenses.

Explanation of Changes

Not Applicable.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Science and Technology Directorate
Management and Administration
FY 2006 to FY 2007 Budget Changes
(Dollars in Thousands)

	Pos.	FTE	Amount
FY 2005 Actual	**320**	**320**	**$ 68,543**
FY 2006 Revised Enacted	**387**	**387**	**$ 80,288**
Transfer to other accounts:			
Transfer Forensics and Attribution to DNDO	(6)	(6)	
Transfer to DNDO	(14)	(14)	(2,558)
Total, Transfers	(20)	(20)	(2,558)
Increases			
2007 Pay Increase			3,453
Non-pay Inflation			1,705
Technical Base Adjustment	16	16	
Realignment from Research and Development			112,013
Total, Increases	16	16	117,171
Total Adjustments to Base	**(4)**	**(4)**	**114,613**
2007 Current Services	**383**	**383**	**194,901**
Program Changes:			
Internal Control Audit			1,000
Total Program Changes	**-**	**-**	**1,000**
2007 Request	**383**	**383**	**$ 195,901**
2006 to 2007 Total Change	**(4)**	**(4)**	**$ 115,613**

C. Summary of Requirements

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	**320**	**320**	**68,543**
2006 Revised Enacted	**387**	**387**	**80,288**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for detail)			
Increases			117,171
Decreases	(4)	(4)	(2,558)
Total Adjustments-to-Base			194,901
2007 Current Services			
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)			1,000
2007 Total Request	**383**	**383**	**195,901**
2006 to 2007 Total Change	(4)	(4)	115,613

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Program Change		
Estimates by Program/Project Activity	Pos.	FTE	Amounts	Pos.	FTE	Amounts	Pos.	FTE	Amounts	Pos.	FTE	Amounts	Pos.	FTE	Amounts
Office of the Under Secretary	40	40	6,414	-	-	1,180	-	-	-	40	40	7,594	-	-	1,180
Salaries and Expenses	347	347	73,874	(4)	(4)	113,433			1,000	343	343	188,307	(4)	(4)	114,433
Total	**387**	**387**	**80,288**	**(4)**	**(4)**	**114,613**	-	-	**1,000**	**383**	**383**	**195,901**	**(4)**	**(4)**	**115,613**

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D. Summary of Reimbursable Resources

Not Applicable.

E. Summary of Requirements by Object Class

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$15,289	$31,101	$40,189	$9,088
11.3 Other than full-time permanent	2,127	---	---	---
11.5 Other Personnel Compensation	401	---	---	---
12.1 Benefits	4,181	8,644	8,942	298
13.0 Benefits - former	---	---	---	---
Total, Personnel Comp. & Benefits	**$21,998**	**$39,745**	**$49,131**	**$9,386**
Other Object Classes:				
21.0 Travel	2,240	3,917	4,447	530
22.0 Transportation of things	29	64	73	9
23.1 GSA rent	5,137	6,623	9,337	2,714
23.3 Communications, utilities, & other misc. charges	43	2,483	2,450	(33)
24.0 Printing and reproduction	20	59	85	26
25.1 Advisory and assistance services	8,693	9,826	13,929	4,103
25.2 Other services	6,091	16,674	105,321	88,647
25.3 Purchases of goods & svcs. from Gov't accounts	16,890	---	5,519	5,519
25.4 Operation & maintenance of facilities	6,784	---	1,918	1,918
26.0 Supplies and materials	327	715	1,639	924
31.0 Equipment	291	182	2,052	1,870
Total, Other Object Classes	**$46,545**	**$40,543**	**$146,770**	**$106,227**
Total, Direct Obligations	**$68,543**	**$80,288**	**$195,901**	**$115,613**
Unobligated balance, start of year	---	---	---	
Unobligated balance, end of year	---	---	---	
Recoveries of prior year obligations	---	---	---	
Total requirements	**$68,543**	**$80,288**	**$195,901**	

F. Performance Positions by Grade

Department of Homeland Security
Science and Technology Directorate
Permanent Positions by Grade

Grade	FY 2005 Actual	FY 2006 Revised Enacted	FY 2007 Request	FY 2007 Change
	Total	Total	Total	Total
Total, SES	14	14	14	
Total, EX	2	2	2	
GS-15	88	92	90	(2)
GS-14	68	135	133	(2)
GS-13	25	25	25	
GS-12	27	26	26	
GS-11	15	15	15	
GS-09	13	11	11	
GS-08	3	3	3	
GS-07	5	5	5	
GS-06	8	7	7	
GS-05	2	2	2	
GS-03	1	1	1	
GS-02	1	1	1	
Other Graded Positions (AD)	20	20	20	
Other Graded Positions (ST)	20	20	20	
Other Graded Positions (WG)	6	6	6	
Other Graded Positions (WS)	2	2	2	
Ungraded Positions	0	0	0	
Total Permanent Positions	320	387	383	(4)
Unfilled Positions EOY				
Total Perm. Employment EOY	320	387	383	0
FTE	320	387	383	0
Headquarters	212	220	216	(4)
U.S. Fields	108	167	167	0
Foreign Field				
Total	320	387	383	0
Position Data:				
Average Salary, ES Positions	$148,463	$151,835	$151,835	
Average Salary, AD Positions	$0	$0	$120,329	
Average Salary, ST Positions	$0	$0	$125,970	
Average Salary, WG Positions	$0	$0	$46,993	
Average Salary, GS Positions	$93,103	$80,147	$82,894	
Average Grade, GS Positions	13	13	13	

1/ Permanent Positions count can be different from the authorized FTE. This would include full time positions, part time position, etc

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Justifications

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Office of the Under Secretary
(Dollars in Thousands)

PPA: Office of the Under Secretary		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions	2,826	3,812	4,458	646
11.3	Positions other than permanent	292			0
11.5	Other personnel compensation	40			0
12.1	Civilian personnel benefits	707	1,102	1,364	262
	Subtotal: Pay	**3,865**	**4,914**	**5,822**	**908**
21.0	Travel and transportation of persons	184	228	268	40
22.0	Transportation of things	3			0
23.3	Other rents, communications, and utilities	6			0
25.1	Advisor and Assistance	157	1,187	1,467	280
25.2	Other services	23			0
25.3	Purchase of goods/services from Gov't. accounts	1,705			0
26.0	Supplies and materials	38	31	37	6
31.0	Equipment	191	54		(54)
	Subtotal: Non-Pay	**2,307**	**1,500**	**1,772**	**272**
Total Office of the Under Secretary		**6,172**	**6,414**	**7,594**	**1,180**
Full Time Equivalents		40	40	40	0

Mission Description: The Management and Administration appropriation provides for of salaries and expense related to 40 FTEs within the Office of the Under Secretary for Science and Technology.

Summary of Justification and Explanation of Changes

(Dollars in thousands)

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Salaries and Benefits	**$3,865**	**$4,914**	**$5,822**	**$908**

Salaries and Benefits include costs of 40 FTEs. The FY 2006 request includes increase of $908,000 for the proposed pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**$184**	**$228**	**$268**	**$40**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request is an increase of $4,000 in non-pay inflation and a realignment of $36,000 from non-pay object classes within the Office of the Under Secretary.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Transportation of things (OC 22)	**$3**	**$0**	**$0**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	**$6**	**$0**	**$0**	**$0**

Communication, Utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Advisory and Assistance (OC 25.1)	**$157**	**$1,187**	**$1,467**	**$280**

Advisory and Assistance includes services acquired by contracts from non-Federal sources as well as from the other units within the Federal Government. The FY 2007 request includes an increase of $20,000 in non-pay inflation, a reduction of $164,000 due to differences between the FY 2006 President's Budget and Congressional action, and a realignment of $424,000 from non-pay object classes within the Office of the Under Secretary.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**$23**	**$0**	**$0**	**$0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**$1,705**	**$0**	**$0**	**$0**

Purchases from Government Accounts include costs of purchases from other Federal Government agencies or accounts.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Supplies and Materials (OC 26)	**$38**	**$31**	**$37**	**$6**

Supplies and materials include materials ordinarily consumed or expended within one year. The FY 2007 request includes an increase of $1,000 for non-pay inflation and a realignment of $5,000 from non-pay object classes within the Office of the Under Secretary.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Equipment (OC 31)	**$191**	**$54**	**$0**	**$(54)**

Equipment includes all costs for the purchase of personal property of a durable nature. The FY 2007 request includes an increase of $1,000 in non-pay inflation and $-55,000 in realignment of non-pay object classes within the Office of the Under Secretary.

Department of Homeland Security
Science and Technology Directorate
Management and Administration
Other Salaries and Expenses
(Dollars in Thousands)

PPA:	Other Salaries and Expenses	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions	12,463	27,289	35,731	8,442
11.3	Positions other than permanent	1,835			0
11.5	Other personnel compensation	361			0
12.1	Civilian personnel benefits	3,474	7,542	7,578	36
	Subtotal: Pay	**18,133**	**34,831**	**43,309**	**8,478**
21.0	Travel and transportation of persons	2,056	3,689	4,179	490
22.0	Transportation of things	26	64	73	9
23.1	Rental payments to GSA	5,137	6,623	9,337	2,714
23.3	Other rents, communications, and utilities	37	2,483	2,450	(33)
24.0	Printing and reproduction	20	59	85	26
25.1	Advisory & assistance services	8,536	8,639	12,462	3,823
25.2	Other services	6,068	16,674	105,321	88,647
25.3	Purchase of goods/services from Gov't. accounts	15,185		5,519	5,519
25.4	Operation & Maintenance of facilities	6,784		1,918	1,918
26.0	Supplies and materials	289	684	1,602	918
31.0	Equipment	100	128	2,052	1,924
	Subtotal: Non-Pay	**44,238**	**39,043**	**144,998**	**105,955**
Total,	**Other Salaries and Expenses**	**62,371**	**73,874**	**188,307**	**114,433**

Mission Description: The Management and Administration appropriation provides for salaries and expense related to 343 FTE for Headquarters and field operations. Field operations include the National Biodefense Analysis and Countermeasures Center (NBACC), Plum Island, Environmental Measurements Laboratories (EML) and the Transportation Security Laboratory (TSL). All resources will be executed within the Management and Administration account.

Summary of Justification and Explanation of Changes

(Dollars in thousands)

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Salaries and Benefits	**$18,133**	**$34,831**	**$43,309**	**$8,478**

Salaries and Benefits include costs for 343 FTEs. The FY 2007 request includes an increase of $2,923,000 for the proposed January 2007 increase in personnel compensation, and a realignment of $5,555,000 in non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**$2,056**	**$3,689**	**$4,179**	**$490**

Travel includes all costs of transportation of persons, subsistence of travelers, and incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $48,000 for inflation and $540,000 in realignment of resources from other portfolios to better meet directive of the public law, as well as, a realignment of $-98,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Transportation of things (OC 22)	**$26**	**$64**	**$73**	**$9**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes an increase of $1,000 in non-pay inflation, $34,000 in realignment of resources and a realignment of $-26,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
GSA Rent (OC 23.1)	**$5,137**	**$6,623**	**$9,337**	**$2,714**

GSA rent includes all payments to GSA for S&T facilities at Vermont Avenue and the realignment of Environmental Measurements Laboratory (EML) and National Biodefense Analysis and Countermeasures Center. The FY 2007 request includes an increase of $86,000 in non-pay inflation, $2,218,000 in realignment of EML rent costs from other portfolios to better meet directive of the public law, and a realignment of $410,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	**$37**	**$2,483**	**$2,450**	**($33)**

Communication, Utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $33,000,000 due to realignment to other non-pay object classes with Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Printing and Reproduction (OC 24)	**$20**	**$59**	**$85**	**$26**

The FY 2007 request includes an increase of $1,000 in non-pay inflation, $85,000 resulting in the realigning of Plum Island costs from other resources and a realignment of $-60,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Advisory and Assistance (OC 25.1)	**$8,536**	**$8,639**	**$12,462**	**$3,823**

Advisory and Assistance includes services acquired by contracts from non-Federal sources as well as from the other units within the Federal Government. The FY 2007 request includes an increase of $113,000 in non-pay inflation, $2,146,000 in advisory and assistance projections, and a realignment of $1,564,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**$6,068**	**$16,674**	**$105,321**	**$88,647**

Other Services include report contractual services with non-Federal sources. The FY 2007 request includes an increase of $217,000 in non-pay inflation, a realignment of resources to DNDO in the amount of $2,558,000, a $100,538,000 in realignment of costs from other sources, and the requested increase of $1,000,000 for Internal Audits and a realignment of $-9,550,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**$15,185**	**$0**	**$5,519**	**$5,519**

Purchases from Government Accounts include costs of purchases from other Federal Government agencies or accounts. The FY 2007 request includes an increase of $123,000 includes realignment of costs from other resources and a realignment of $5,396,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Operation & Maintenance of facilities (OC 25.4)	**$6,784**	**$0**	**$1,918**	**$1,918**

Operations and Maintenance of facilities includes all payments for the operations and maintenance of facilities when down by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $1,918,000 includes realignment of costs for Plum Island and EML.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Supplies and Materials (OC 26)	**$289**	**$684**	**$1,602**	**$918**

Supplies and materials include materials ordinarily consumed or expended within one year. The FY 2007 includes an increase of $9,000 in non-pay inflation, $1,056,000 realignment of costs from Plum Island, EML, and NBACC from other resources, and a realignment of $-147,000 from other non-pay object classes within Salaries and Benefits.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Equipment (OC 31)	**$100**	**$128**	**$2,052**	**$1,924**

Equipment includes all costs for the purchase of personal property of a durable nature. The FY 2007 request includes an increase of $2,000 in non-pay inflation, $664,000 in realignment of costs for Plum Island, EML and NBACC from other resources, and a realignment of $1,258,000 from other non-pay object classes within Salaries and Benefits.

I. Schedule of Working Capital Fund

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisitions and Operations

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Enacted AMOUNT	FY 2007 Request AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Office of the Under Secretary S&T Directorate	$0.00	$0.00	$0.00	$0.00
Other S&T Management and Administration	$16,104	$6,031	$38,336	$32,305
Subtotal, Management and Administration	**$16,104**	**$6,031**	**$38,336**	**$32,305**
Bio Countermeasures	$0	$9,700	$0	($9,700)
NBACC	$0	$0	$0	$0
Chemical Countermeasures	$0	2,761	$0	($2,761)
Domestic Nuclear Detection Office	$0	7,012	$0	($7,012)
Explosives Countermeasures	$0	1,279	$0	($1,279)
Radiological & Nuclear Countermeasures	$0	555	$0	($555)
Threat Awareness Portfolio	$0	1,250	$0	($1,250)
Standards	$0	1,018	$0	($1,018)
Support to the Components	$0	2,326	$0	($2,326)
University and Fellowship Programs	$0	1,831	$0	($1,831)
Emerging Threats	$0	233	$0	($233)
Rapid Prototyping	$0	1,018	$0	($1,018)
Counter MANPADs	$0	3,197	$0	($3,197)
SAFETY Act	$0	203	$0	($203)
Office of Interoperability and Compatability	$0	770	$0	($770)
Critical Infrastructure Protection	$0	750	$0	($750)
Cyber Security	$0	485	$0	($485)
Research and Development Consolidation	$0	2,903	$0	($2,903)
Subtotal, Research and Development	**$0**	**37,291**	**$0**	**($37,291)**
Total Working Capital Fund	**$16,104**	**$43,322**	**$38,336**	**($4,986)**

2015

Department of Homeland Security

Science and Technology Directorate

Research, Development, Acquisitions, and Operations

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Science and Technology Directorate
Research, Development, Acquisitions, and Operations

I. Appropriation Overview

A. Mission Statement for Research, Development, Acquisitions, and Operations:

The S&T Directorate will conduct, stimulate, and enable homeland security research, development, testing and evaluation and the timely transition of capabilities to Federal, State, local, and tribal end-users.

The S&T Directorate's major role is as a developer and a translator of science and technology to promote homeland security. This role can be broken down into three main functions. The Directorate serves to:

- Discover, filter, and translate scientific information to prioritize and inform operations that secure the homeland;
- Develop new technologies and help ensure that those technologies are used by appropriate homeland security personnel at all levels of government and in the private sector;
- Create a scientific community that uses common technological standards to effectively work across levels of government and the private sector in protecting the homeland.

The S&T Directorate provides leadership for directing, funding and conducting research, development, test and evaluation (RDT&E) and procurement of technology and systems to prevent the importation of chemical, biological, radiological, nuclear and related weapons and material and to protect against and respond to terrorist threats. The S&T Directorate partners and coordinates with Federal, State and local government and private sector entities in conducting its activities and establishes an efficient system to transfer homeland security developments and technologies to the operational elements of the Department to enhance their ability to execute all missions, now and in the future, and to meet the high priority homeland security RDT&E needs of the nation.

B. Budget Activities:

Biological Countermeasures – The biological countermeasures portfolio places its greatest emphasis on those biological attacks that have the potential for widespread catastrophic damage, which in general provides some measure of protection against most attack scenarios. Such high consequence threats include, but are not limited to: aerosolized anthrax, smallpox, and genetically engineered airborne pathogens; highly virulent agricultural diseases such as foot and mouth disease; and high volume contamination of selected food supplies. Work is pursued in partnership with the Department of Health and Human Services (HHS), the Department of Defense (DoD), the Environmental

Protection Agency (EPA), the Department of Agriculture (USDA) and others. Key elements of an early biological warning system have been demonstrated and piloted at the research level and a subset are operational (e.g. the BioWatch program). The program performs additional research on non-traditional forms of biological surveillance, advanced detection technologies to include biological signatures and assays, bioforensics, and restoration to deal with existing and next- generation threats.

Key elements of the Biological Countermeasures Portfolio are: (1) Surveillance and Detection R&D, which provides research, development, and piloting of technologies and systems to support the spiral development of the operational capabilities, such as the BioWatch Program; the Biological Warning and Incident Characterization System (BWIC) to be used in BioWatch cities to aid in interpreting the public health significance of BioWatch signals and to inform and guide the initial responses and event reconstruction; (2) Plum Island Animal Disease Center, which is a facility used to research the most sensitive rapid identification techniques, the most effective and reliable vaccination approaches, and develop genetic databases of foreign disease pathogens in order to detect and stem the effects of an intentional attack with agricultural bioagents; and (3) the National Biodefense Analysis and Countermeasures Center, to include the Biothreat Characterization Center and National Bioforensics Analysis Center, which provides: a) scientific support to biological threat net assessments, b) bioforensic analysis for attribution, c) validated countermeasures, and d) in conjunction with the Biodefense Knowledge Center, an information clearing-house which supports interagency efforts in countering biological terrorism focused on law enforcement, national security, and public health.

Chemical Countermeasures – The mission of the Chemical Countermeasures portfolio is to enhance the nation's capability to anticipate, prevent, protect from, respond to and recover from chemical threat attacks through interagency leadership and conduct of innovative research, development, and technology transition. Research and Development (R&D) activities reflect prioritization of the many possible chemical threats and targets, development of new detection and forensic technologies, and integrated protective systems for high-value facilities such as airports and subways. These activities are informed by end-user input and systems studies that identify gaps in current capability and guide technology investment. The portfolio has been organized to reflect needs in preparedness against current and future chemical threats requiring capabilities in four key areas: Chemical Analysis and Coordination, Architecture, Detection, and Response and Recovery. The portfolio's scope includes classical chemical warfare (CW) agents, toxic industrial chemicals (TICs), and non-traditional agents (NTAs).

Explosives Countermeasures – This portfolio conducts research to: improve explosives detection equipment and procedures for aviation security, to allow the reliable detection of explosives carried by persons boarding aircraft and of explosives in air cargo; improve efficiency and reduce false alarm rates of explosives detectors currently used for screening checked baggage; adapt explosives detection technologies for use in other modes of transportation, such as trains and cruise ships; and develop stand-off detection technologies that can detect large quantities of explosives in cars and trucks at a distance and, if possible, leave-behind bombs and suicide bombers, attempting to detonate explosives carried on their persons in crowded areas. Work in the first three areas are being coordinated and conducted in partnership with the DHS Transportation Security Administration.

Threat Awareness Portfolio – The RDT&E activities funded through the Threat Awareness Portfolio (TAP) primarily support two DHS strategic goals, namely, awareness and prevention. The portfolio's mission is to develop, test, and deliver – in collaboration with intelligence, law enforcement, and homeland security community agencies – computationally based tools and methodologies for assessing

terrorist threats and understanding terrorism. Such tools and methods are intended to enable and enhance Federal, State, and local awareness of a broad range of threats through intelligence fusion and information sharing. TAP currently prosecutes its mission through eight interrelated programs in three critical areas: Capability Assessment and Attribution, Social-Behavioral Analyses of Terrorist Threat, and Knowledge Management Tools for Fusing and Sharing Intelligence. To achieve its objectives, TAP's science and technology efforts focus on developing a Federal-level enterprise for threat assessment. Activities in this portfolio are designed to help evaluate extensive amounts of diverse threat information; detect and document terrorist intent; couple threat information with detailed knowledge of terrorists' capabilities for developing and sources for obtaining weapons of mass effect and with accurate forensic analyses; and enable analysts to draw timely insights and distribute assessments from the information. The technologies include knowledge discovery and dissemination, information analysis, visual analytics for synthesis of dynamic, disparate, distributed information sets containing multiple data types; information extraction and pattern discovery from massive data sets; semantic networks and high-performance processing techniques for multi-modal data correlation; integrated simulation and modeling techniques for threat assessment, scenario planning, and incident response; security and privacy; CBRNE capability assessments; field and laboratory forensic analyses of radiological and nuclear materials; and continuous assessment of individual- or group-related motives, behaviors, and intentions signifying terrorist actions. Capabilities appropriate to federally managed information sources as well as security and privacy tools required to share information and collaborate among various Federal, State, and local government organizations, as well as foreign governments and international organizations, involved in homeland security are also being developed and implemented. Such activities directly support the Office of Information Analysis, the Directorate for Preparedness, the Transportation Security Administration, Customs and Border Protection, and Immigration and Customs Enforcement, as well as other operational entities within DHS.

Standards – The Standards portfolio develops, in collaboration with operational end-users, performance measures, testing protocols, certification methods, and a reassessment process appropriate to each threat countermeasure and for the integrated system.

Support to DHS Components –

Border and Transportation: The Border and Transportation Portfolio's mission is to develop and transition capabilities that improve the security of our nation's borders and transportation systems without impeding the flow of commerce and traveler. One of the Department of Homeland Security's first priorities is to prevent the entry of terrorists and the instruments of terrorism into the United States while simultaneously ensuring the efficient flow of lawful traffic and commerce. In the Department, the Border and Transportation Security (BTS) Directorate has this responsibility.

Emergency Preparedness and Response: The S&T Directorate's Emergency Preparedness and Response (EP&R) portfolio supports the Department's Preparedness Directorate and FEMA with a mission to improve the ability of the Nation to prepare for, respond to, and recover from all-hazards emergencies through development and deployment of enabling capabilities. Particular emphasis is placed on technology integration and interoperability at all levels of government; personal protection and equipment for emergency responders; technologies to enhance training and exercise capability; emergency medical response operations, and long-term sustained performance of emergency response systems.

United States Secret Service: The mission of the United States Secret Service (USSS) portfolio of the S&T Directorate is intended to support the unique USSS mission by development and deployment of advanced technologies to enhance protective and investigative capabilities. This portfolio is coordinated with the United States Secret Service and has established its first direct-funded R&D program. The USSS portfolio effort focuses upon input from the intelligence community (threat based model) and direct operational experience obtained over the last century. As a result, this funded technology program is subject to reevaluation and change based upon the perceived threats to the safety of those protected by the USSS.

United States Coast Guard: The United States Coast Guard's mission is to protect the public, the environment, and U.S. economic interests in the Nation's ports and waterways, along the coast, on international waters, or in any maritime region as required to support national security. The Coast Guard Research Program supports this mission through the development of technologies and systems to enhance Maritime Domain Awareness, and to improve Operational Presence and Response. Maritime Domain Awareness includes all systems, sensors, and command and control systems necessary to detect, identify, and determine the threat potential of all vessel traffic. It also includes Port Security research to protect selected harbors. Operational Presence and Response is the development of the safest and most effective means of stopping a vessel, boarding it, and finding/eliminating the specific threat. The objectives of this R&D work areas to neutralize the threat as far away from potential targets as possible and to respond to emergencies as quickly and effectively as possible. The Coast Guard Research and Development program is characterized by its many partnerships with other Federal agencies and international R&D groups. Working together on mutual problems has shared costs and expedited delivery of important R&D products.

This program also supports Coast Guard unique traditional missions such as Search and Rescue and, Maritime Regulations in support of its Marine Safety mission. It researches oil spill prevention and response, and Aquatic Nuisance Species prevention in support of its Marine Environmental Protection Program. Further it works on the development of advanced navigation systems to improve the flow of goods and services via our nation's waterways.

University and Fellowship Programs – This program funds strategic partnerships with the academic community to further the homeland security mission through research and education. It provides support for qualified students and faculty in areas relevant to the Nation's security and establishes University Centers of Excellence that focus on long term and large-scale homeland security issues.

Emergent and Prototypical Technology – The mission of the Emergent and Prototypical Technology Portfolio is to; through six major thrust areas; address the dynamic nature of terrorist threats, as science and technology advancements enable new agents of harm and new ways to employ them, and; to accelerate, through rapid prototyping, the deployment of advanced technologies to address urgent user requirements.

Counter MANPADS – Beginning in May 2003, the Department of Homeland Security (DHS), in partnership with other Federal agencies, initiated a Congressionally-directed aggressive System Development and Demonstration (SD&D) program to counter the threat of shoulder-fired missiles, known as MAN-Portable Air Defense Systems (MANPADS), to civilian commercial aviation. The DHS Science and Technology Directorate (S&T) is leading the technology aspects of the effort

through its Counter-MANPADS Program. The Program demonstrates and evaluates the possible migration of existing military Counter-MANPADS technologies to the commercial airline industry. The re-engineering of countermeasure technologies and components is necessary to meet commercial air carrier operation requirements, including protection of critical military technology in a civilian aviation environment.

SAFETY Act – This office reviews, processes, and certifies promising homeland security technologies that receive limited liability protections if designated as a SAFETY Act certified technology.

Offices for Interoperability and Compatibility – Non-interoperable and incompatible equipment and a lack of standardized procedures for their operation have plagued the public safety community for decades. In many cases, public safety agencies in times of multi-jurisdictional emergency responses, such as terrorist attacks, cannot perform their mission-critical duties because of these challenges. To address these issues, the Secretary of the Department of Homeland Security directed the Science and Technology Directorate to create the Office for Interoperability and Compatibility (OIC). This Office coordinates the Federal response to the challenges of interoperability and compatibility, and was implemented in coordination with other DHS programs. By coordinating and leveraging the vast range of interoperability programs and related efforts spread across the Federal government, the OIC will reduce unnecessary duplication in programs and spending, identify and promote best practices, and coordinate Federal activities related to research and development, testing and evaluation, standards, technical assistance, training, and grant funding guidance related to interoperability.

Critical Infrastructure Protection – This portfolio, conducted in support of the DHS Preparedness Directorate and other CIP activities: 1) develops, implements, and evolves a rational approach for prioritizing CIP strategies and resource allocations using modeling, simulation, and analyses to assess vulnerabilities, consequences, and risks; 2) proposes and evaluates protection, mitigation, response, and recovery strategies and options; and 3) provides real-time support to decision makers during crises and emergencies.

Cyber Security – This portfolio conducts research and development on technologies to secure and protect the Nation's cyber infrastructure from cyber threats.

C. Budget Request Summary:

The Research, Development, Acquisitions, and Operations request of $806,370,000 for FY 2007 Request. The total Adjustment-to-base is - $609,517,000. The program increase includes $9,100,000 for:

- The additional funds ($2,000,000) are to instantiate and staff a Joint Agro-terror Defense Office (JADO), which will enhance inter-agency coordination of advanced development of countermeasures for agro-defense.
- The additional funds ($7,100,000) are to enhance domain name infrastructure security research and development ($1,250,000); to support research and development to secure Border Gateway Protocols under the Secure Protocols for Routing Infrastructure program ($1,250,000); to support cyber security test beds ($1,000,000); to support large-scale cyber security data sets ($1,000,000); to support research and development for highly scalable identity management with an emphasis on the ability to deploy this technology to wide-area network ($2,000,000); and to support Cyber Security project administration ($600,000).

II. Summary of FY2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Science and Technology Directorate
Research and Development
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program		Adjustments-to-Base	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Research & Development												
Bio Countermeasures		332,571		376,200	-	337,200	-	(39,000)	-	2,000		(41,000)
NBACC		119,437		-		-		-				-
Chemical Countermeasures		61,393		94,050		83,092		(10,958)				(10,958)
Explosives Countermeasures 1/		18,826		43,560		86,582		43,022				43,022
Radiological and Nuclear Countermeasures		131,397		18,895		-		(18,895)				(18,895)
Domestic Nuclear Detection Office		-		314,834		-		(314,834)				(314,834)
Subtotal, Rad/Nuc & DNDO		*131,397*		*333,729*		-		(333,729)				(333,729)
Threat Awareness Portfolio 2/		84,315		42,570		39,851		(2,719)				(2,719)
Standards		39,903		34,650		22,131		(12,519)				(12,519)
Support to the Components 1/		52,141		79,200		88,622		9,422				9,422
University and Fellowship Programs		113,522		62,370		51,970		(10,400)				(10,400)
Emerging Threats 3/		13,272		7,920		-		(7,920)				(7,920)
Rapid Prototyping 3/		65,626		34,650		-		(34,650)				(34,650)
Emergent and Prototypical Technology 3/						19,451		19,451				19,451
Counter MANPADS		51,820		108,900		4,880		(104,020)				(104,020)
SAFETY Act		1,061		6,930		4,710		(2,220)				(2,220)
Office for Interoperability and Compatibility		6,744		26,235		29,735		3,500				3,500
Critical Infrastructure Protection		65,313		40,392		15,413		(24,979)				(24,979)
Cyber Security		17,690		16,533		22,733		6,200	-	7,100		(900)
Research and Development Consolidation 1/		-		98,898		-		(98,898)				(98,898)
Subtotal Research and Development		1,175,031		1,406,787	-	806,370	-	(600,417)	-	9,100		(609,517)
Subtotal, Enacted Appropriations and Budget Estimates	-	**1,175,031**	-	**1,406,787**	-	**806,370**	-	**(600,417)**	-	9,100	-	**(609,517)**
Less Prior Year Rescission, P.L. 109-90				(20,000)				20,000				20,000
Net, Enacted Appropriations and Budget Estimates	-	**1,175,031**	-	**1,386,787**	-	**806,370**	-	**(580,417)**	-	**9,100**	-	**(589,517)**

1/ R&D Consolidation resources requested in FY 2006 are realigned in FY 2007 as follows: $99 million for TSL to Explosives Countermeasures and Support to the Components -BTS.

2/ Formerly Threat and Vulnerability, Testing and Assessment

3/ Formerly Emerging Threats and Rapid Prototyping

III. Current Services Program Description by PPA

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisitions, and Operations
Program Performance Justification
(Dollars in thousands)

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$1,175,031**
2006 Revised Enacted	-	-	**1,406,787**
2007 Adjustments to Base	-	-	(609,517)
2007 Current Services	-	-	**797,270**
2007 Program Change	-	-	9,100
2007 Request	-	-	**806,370**
Total Change 2006-2007	-	-	(600,417)
Less Prior Year Rescission, P.L. 109-90			*(20,000)*
Net, FY 2006 Enacted			*1,386,787*

PPA: BIOLOGICAL COUNTERMEASURES

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$332,571**
2006 Revised Enacted	-	-	**376,200**
2007 Adjustments to Base	-	-	(41,000)
2007 Current Services	-	-	**335,200**
2007 Program Change	-	-	2,000
2007 Request	-	-	**337,200**
Total Change 2006-2007	-	-	(39,000)

Science and Technology Directorate requests $337.2 million for this activity. This is a decrease of $39.0 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The mission of the Biological Countermeasures portfolio is to provide the understanding, technologies, and systems needed to anticipate, deter, protect against, detect, mitigate, and recover from possible biological attacks on this Nation's population, agriculture or infrastructure. The Biological Countermeasures portfolio uses the Nation's science base to prevent, protect, respond to and recover from bioterrorism events. Biological threats can take many forms and be distributed in many ways. Aerosolized anthrax, smallpox, foot-and-mouth disease, and bulk food contamination are among the threats that can have high consequences for humans and agriculture. The portfolio managers work in partnership with the Department of Health and Human Services (HHS), the Centers for Disease Control and Prevention (CDC), the Department of Defense (DOD), the Department of Agriculture (USDA), the Environmental

Protection Agency (EPA), the Department of Justice (DOJ), the Department of State (DOS), the United States Postal Service (USPS), and State and local operational end users.

The Biological Countermeasures portfolio provides the science and technology needed to reduce the probability and potential consequences of a biological attack on this Nation's civilian population, its infrastructure, and its agricultural system. The portfolio is developing and implementing an integrated systems approach with a wide range of activities, including vulnerability and risk analyses to identify the need for vaccines, therapeutics, and diagnostics; development and implementation of early detection and warning systems to characterize an attack and permit early prophylaxis and decontamination activities; and development of a national bioforensic analysis capability to support attribution of biological agent use.

This portfolio provides scientific activities in program areas such the National Biodefense Analysis and Countermeasures Center (NBACC), the BioWarning and Incident Characterization System (BWIC), BioWatch and related environmental monitoring activities being conducted at sites throughout the country. NBACC provides scientific support for intelligence activities, prioritizes biothreats, and conducts bioforensic analyses contributing to attribution and hence to deterrence. BWIC integrates environmental monitoring data (e.g., BioWatch) with biosurveillance and other data to provide early attack warning and assessment. The environmental monitoring activities include not only BioWatch, which provides 24/7/365 monitoring for many of our urban areas, but also targeted monitoring that is temporarily deployed for National Special Security Events (NSSEs) and other special national needs (e.g., when the threat level is raised). While serving a primary function in minimizing damage, both BWIC and environmental systems may also play a significant deterrent role since terrorists may be less likely to attack when defensive systems may prevent them from attaining their goals.

This portfolio's activities also include simulation, modeling, and gaming to guide and prioritize technical developments and to train decision makers prior to and during an event, and identify needs for BioWatch consequence management tools, and a systems approach and protocols for decontamination.

FY 2005 Accomplishments:

Systems Studies and Decision Support Tools - FY 2005 system studies efforts have paid dividends in providing a more comprehensive picture of the biological threat landscape. Studies were completed on five representative threat scenarios (outdoor release of a non-contagious agent, indoor release of a contagious agent, contamination of a major food commodity, a highly virulent livestock disease and a virulent crop disease) and studies were initiated on several other representative families of threats (multiple small attacks, attack with an antibiotic resistant agent, and a zoonotic disease). These studies have highlighted critical gaps in capabilities and capacity needed to support more robust Biodefense architectures. The results are being used to develop/refine requirements for S&T Surveillance/Detection programs, event characterization, and response and recovery architectures within the S&T Directorate, as well as serving as benchmarks for systems developed outside of DHS. In addition, data from the Joint Urban 2003 tracer release studies were used to validate atmospheric transport and diffusion models. Joint Urban 2003 was the largest study of its kind to date, generating over a terabyte of data and forming the informatics baseline for validation of these models.

Threat Awareness and Characterization – Significant progress was achieved in FY 2005 in understanding the full nature of the biological threat at a strategic planning level. Specifically, six in-

depth threat assessments for BioShield (anthrax, plague, tularemia, chemical nerve agents, radiological devices, nuclear devices) were completed. A broader set of risk assessments required by Homeland Security Presidential Directive (HSPD)-10 covering 29 biological agents is well underway and will be completed in January 2006. This information will be used to prioritize a wide range of national biodefense activities, including subsequent rounds of BioShield acquisitions. A strategy for addressing engineered threats has been developed in partnership with HHS and other agencies and is being used to guide activities and investments in this area. Laboratory studies have been initiated to better characterize the virulence of some of the top threat agents (e.g. anthrax, plague, botulinum toxin) as a function of route of entry into the body (inhalational vs. oral), in different food matrices, and under different food processing and environmental conditions. A new, certified, state-of-the art, aerobiology laboratory has been developed at the Lovelace Respiratory Research Institute to support these studies. The Biodefense Knowledge Center (BKC) continues to expand its capabilities, providing information to support high level decision making, including 24/7/365 support to the Homeland Security Operations Center (HSOC) as well as special topical assessments on issues ranging from the accidental release of the H2N2 virus to the potential role of zoonotic diseases (e.g., Rift Valley Fever, Nipah virus) as terrorist weapons.

Surveillance and Detection Operations - The BioWatch Program Office has focused on daily operations throughout FY 2005. Significant programs implemented this year included – establishment of the BioWatch Special Program Office, development of a comprehensive program management plan, publication of the BioWatch Logistics Support Plan, publication of Quality Assurance/Quality Control plans and fielding Standard Operating Procedures. An Information Technology (IT) system, which allows for local and Federal data analysis and review, was developed, validated, and deployed. The BioWatch Enhancement (Generation 2) has been initiated in collaboration with the local stakeholders. The enhancement places significantly more air collectors in the top threat cities to include transit and special event coverage and is expected to be completed in FY 2006 on schedule. This will allow cities to further increase their broad population protection while also providing targeted coverage of their most vulnerable venues. In addition, the public health epidemiology stakeholder community has been engaged to provide input for BioWatch improvement and incorporation into their day-to-day operations. In August 2005 BioWatch Stakeholders attended the second Annual Workshop where they engaged in a dialog with DHS, DOJ, CDC, and EPA to share lessons learned and enable further system improvements.

As part of a White House initiative for an improved and integrated biosurveillance strategy the S&T Directorate has drafted and coordinated a comprehensive Memorandum of Understanding (MOU) among the major biosurveillance stakeholders that include DHS, HHS, DoD, FBI, and the USPS. The MOU sets a framework for development of integrated national biomonitoring architecture, to include DHS BioWatch, US Postal Service's Biohazard Detection System (BDS), and DOD Installation Protection Program (IPP). The interagency collaboration will leverage and optimize existing agency efforts and provide improved coordination between civilian biothreat detection programs and the corresponding programs for protecting domestic military installations. As a first step in this direction, the joint DHS/DoD BioNet Program piloted improved civilian-military coordination in San Diego, CA.

In addition biological monitoring and surveillance support was provided to two National Special Security Events (NSSE). The events included the Presidential Inauguration in Washington, DC and the National Governor's Association meeting in Des Moines, IA.

Surveillance and Detection R&D - Provides for the research, development and piloting of advanced detection systems for air, surface, agricultural, and food monitoring; and the development of the supporting biological assays (genetic, protein and other) for affordable, highly sensitive, highly specific detection of both classical and emerging/engineered biological agents. A critical objective of the program is the advancement to autonomous detection systems. This technology will provide agent identification without manual intervention. Significant accomplishments were achieved in FY 2005 in three major monitoring and surveillance initiatives: 1) next generation detection platforms 2) biological threat agent assays for precise biological threat agent identification, and 3) BioWatch signal interpretation capability to support incident management at the State and local level.

1) Next Generation Detection Platforms - The Biological Autonomous Networked Detection (BAND) program is developing the next generation, fully autonomous, bio-detection technologies which will allow for collection and analysis the biological agents in place, eliminating the high-cost, labor-intensive manual processes that are currently in place. BAND technology will form the basis of the third generation BioWatch system (Gen 3 BioWatch) with greatly expanded coverage and capability. To date, seven systems have demonstrated feasibility in meeting the BAND requirements (broad spectrum, low-reagent consumption, short sampling/analysis time, high sensitivity, extremely low false positive rate, low operational costs, and a small footprint). Down selection of the most promising candidates is in progress and independent testing capabilities have been established at the DoD's Edgewood Chemical and Biological Center (ECBC) to test the resulting subsystems.

Work is also in progress to develop detect-to-warn systems that can detect biological agents in minutes so as to protect high value facilities or special venues. The Rapid Automated Biological Identification System (RABIS) program, which is seeking to do agent detection and identification in two minutes or less is completing its feasibility phase and undergoing down selection for advancing to the laboratory prototype phase. A second program, the Instantaneous Bio-Aerosol Detector Systems (IBADS), was initiated in FY 2005 to explore a broader set of tradeoffs in detection times and levels. The IBADS program leverages efforts supported by the Defense Advanced Research Projects Agency (DARPA) Joint Program Executive Office-Chemical-Biological (JPEO-CB), and the Defense Threat Reduction Agency (DTRA) in the development of a low cost detection platform. In fact DTRA is co-funding this effort.

2) Assay development for Biological Threat Agents - Assay development continued throughout FY 2005 with an emphasis on developing validated assays for the top 20 priority agents and for developing methods to allow for high throughput analysis at significantly less cost. The multiplexing methods will play a critical role in managing and responding to a large-scale attack. FY05 accomplishments include the development of assays for most of the viral hemorrhagic fevers (e.g., Ebola, Marburg), on-going development of assays for all seven serotypes of Foot and Mouth Disease, and the successful demonstration of multiplexed assays (27-plex) that screen a single sample simultaneously for six agents (multiple signatures for each agent).

3) BioWatch Signal Interpretation – Understanding the significance of a BioWatch positive test result is critical in assisting the public health community with incident characterization and management. To support the task, the Biological Warning and Incident Characterization System (BWIC) is designed to provide the framework and tools for more effectively integrating information from BioWatch detectors (both positive and negative detections), with environmental sampling data, plume modeling and medical surveillance data to better characterize the public health and national security significance

of a BioWatch positive. This year the BWIC design was completed based on an open architecture, utilizing standards adopted by public health agencies, emergency management communities and endorsed by the DHS Office for Interoperability and Compatibility. The use of interface standards from both the emergency management and public health communities will serve to facilitate information exchange and communication across two communities that historically have not been integrated. To enhance requirements definition from operational users the BWIC program conducted several workshops in FY 2005 with stakeholder/partners from various BioWatch cities to solicit operational needs for the system. These requirements have been incorporated into the systems design specification. A pilot demonstration of initial capability is being deployed in Chicago and Miami. These pilots will serve as the template for a phased system deployment to all BioWatch sites.

Bioforensics – The President's *Biodefense for the 21st Century* designated the national Bioforensics Analysis Center (NBFAC) as the Nation's lead facility for technical analysis of samples to support attribution activities by the Federal Bureau of Investigation and other appropriate agencies. Interim capabilities were established at Ft. Detrick in FY04 and the NBFAC is now conducting extensive casework to support on-going FBI investigations of biocrimes or acts of bioterrorism. All evidence receipt, cataloging and processing are being conducted in secure, bio-threat agent contamination free, biocontainment space within the NBFAC interim hub laboratory. This capability was non-existent at the time of the anthrax attacks in the fall 2001.

To maximize the admissibility and validity of biological evidence analytical results used in court proceedings, NBFAC is seeking to obtain the International Standardization Organization (ISO) 17025 certification as a reference analytical laboratory in 2006. To meet stringent ISO certification requirements, NBFAC has established a stand-alone Safety and Biosurety Program, Quality/Accreditation Program, and received select agent handling certification from Centers for Disease Control and Prevention (CDC) for all laboratory staff and facilities. Standard operating procedures and protocols are in place for evidence handling and analytical flow processes.

Significant progress has also been made on the needed forensic analysis tools. Highly specific forensic assays have been developed for anthrax and corresponding work has been initiated on ricin. A library of reference strains (National Bioforensic Repository Collection) has been established to support NBFAC casework. Interagency agreements have been implemented with other Federal laboratories to provide capability for specialized analysis and surge requirements. R&D efforts are improving protocols for sample management including collection, preparation, and extraction and novel methods for analysis of the physical and chemical signatures of biothreat agents and their associated matrices resulting from differences in methods used to grow, harvest, process and deliver agents.

Response and Restoration - The overall goal for the Response and Restoration Thrust Area is focused on providing a coordinated systems approach to the recovery of wide urban areas and high traffic area (transit/transportation facilities) following an aerosol release of a Biothreat agent. The major accomplishment in FY05 was the completion of the multi-year Airport Restoration Demonstration done in partnership with the San Francisco International Airport, the EPA and National Institute of Occupational Safety and Health. Key outputs include the development of EPA pre-reviewed restoration protocols that can serves as templates/guidelines for other airports throughout the nation; new tools for conducting the pre- and post-clean-up sampling, including tools for determining the viability of agents within hours instead of days; and the completion of a National Academies of Science Study entitled "Reopening Public Facilities After a Biological Attack: A Decision-Making Framework" that was released in June 2005. The study concluded that the information needed to set

specific clean-up levels for biological threat agents is lacking at this time. The study outlines the information needed to set these levels along with a risk-assessment framework. This long awaited study will be utilized to help guide future research investments.

Other restoration accomplishments included a joint DHS-DoD-EPA National Sampling Workshop involving some 400 participants to share recent advances and outline next steps forward; improved characterization of selected vapor-phase decontamination technologies; and modification and preparation for testing of a mobile chlorine dioxide system for decontaminating small to medium size facilities such as office buildings. This latter technology was initially developed by DARPA and upon successful validation in a joint DHS-EPA-JPEO-CB test in FY06, will be transferred to EPA for use in the rapid decontamination following a bio-contamination event.

Agriculture – Significant progress has been made in expanding and accelerating the development of improved veterinary vaccines and anti-virals. A Targeted Advanced Development research unit and pilot scale production facilities have been established at Plum Island Animal Disease Center (PIADC). Current and next-generation vaccine candidates and immuno-modulators against FMD have been evaluated and promising candidates targeted for further advanced development, in collaboration with USDA and industry partners. High priority concerns for the facilities, operations, and security of the Plum Island Animal Disease Center (PIADC) continue to be addressed.

Good progress has also been made in developing supporting decisions tools. The reference case studies have been completed on model systems of virulent livestock Foot-and-Mouth disease (FMD) and crop (soybean) rust outbreaks and provide critical insights into the requirements for prevention – detection –response. An initial national scale FMD model that incorporates both disease spread and economic impact information has been developed to study various intervention strategies ranging from national or regional stop movement orders to vaccination and culling strategies. Significant improvements were made to enhance diagnostics capabilities, including the development of rapid, multiplexed DNA- and protein-based assays capable of high throughput for early detection of high-consequence animal diseases. A major FY05 deliverable was to conduct an inter-laboratory comparison study in the National Animal Health Laboratory Network (NAHLN) to test the robustness of the multiplexed assays and diagnostic platform in the hands of the user community; these assays and instrumentation will be transitioned to the NAHLN labs. A high-throughput diagnostics platform for FMD and look-alike diseases has been developed, and after piloting within the NAHLN, is expected to enhance daily lab processing from tens to thousands of samples per day. And, in cooperation with the Food and Drug Administration, a solicitation was issued for the design of a 'food sensor' to detect priority pathogens at critical production nodes of the appropriate food industry sector.

FY 2006 Plan:

Systems Studies and Decision Support Tools - will complete the three high level architectures initiated in FY 2005 for multiple small attacks, an engineered organism, and a zoonotic disease, identifying key requirements for each major element. "Report cards" will be develop on the current and projected status of each element including detailed design tradeoffs for those areas in which DHS has execution responsibility. Efforts will begin to shift from high-level architecture studies to detailed simulations of the systems in or nearing deployment, enabling better assessment and "stimulated" testing of such systems. Special emphasis will be given to simulating the characterization and response phases of the current BioWatch system and to conducting cost-benefit and architecture tradeoffs on the extent and coverage of the next generation BioWatch system. Also, as called for in the President's *Biodefense for*

the 21st Century, a biodefense net assessment (BNA) will be initiated to provide a periodic assessment of some of the more fundamental issues and assumptions underlying the Nation's biodefense strategy.

Threat Awareness and Characterization - will complete the first formal risk assessment required under HSPD-10 and will be in the process of closing many of the key remaining experimental gaps in our knowledge of the classical bioagents. Near-, mid-, and long-term plans for dealing with engineered agents will be developed, and R&D on addressing the gaps in responding to modified organisms (e.g., antibiotic resistant) initiated. The Biodefense Knowledge Center (BKC) will continue to expand both its curated library of unclassified and classified materials on all aspects of the bio-threat, and improve and expand semantic network tools for rapidly searching and discovering relationships in extensive databases. Subject matter expertise on the biothreat and advanced information integration and analysis tools will continue to play a significant role in the evolving capabilities of the National Biosurveillance Integration System.

Surveillance and Detection Operations - will complete the deployment of Gen 2 BioWatch systems to the top threat cities while continuing to operate and optimize already extant BioWatch systems. Deployment of the BWIC, first piloted in FY 2005, will begin to further aid in interpreting the public health significance of a BioWatch signal and in guiding the initial response. The operational deployment, beyond the pilot sites, will commence with three BioWatch sites in fourth quarter FY 2006 followed by the next seven sites in FY 2007. BWIC efforts will be closely coordinated with CDC's BioSense program, which will provide some of the public heath monitoring information used by BWIC.

Surveillance and Detection R&D - will have completed test and evaluation of laboratory prototypes of the Gen 3 BioWatch detection systems and will be ready to down-select those which will go on to develop fieldable prototypes in FY 2007. A fieldable prototype of the food node sensor, whose development was initiated in FY 2005, should also be available, and R&D will continue on the rapid identifier. Work will continue to close the remaining gaps that exist between validated assays and the various lists of biological threat agents. Multi-loci genetic and molecular recognition bioassays will be developed for about ten of the remaining select agents and novel assay development will continue for detecting modified or novel pathogens.

Bioforensics - will continue to operate the interim NBFAC. ISO certification fully completed - giving the analytical results additional credibility in both the national and international community and courts of law. The National Reference Repository will continue to expand, both in the number of strains of a particular agent and in the number of agents covered. Genotyping assays will be developed for two to three high priority agents as determined by NBFAC and the law enforcement community. R&D will continue on the physical and chemical signatures of the "matrix" materials associated with bioagents to develop methods for understanding tell-tale remnants of enrichment media, culture conditions, metabolites, and dispersion technology.

Response and Restoration - Several regional Airport Restoration Workshops will be conducted to share the results and templates from the Airport Restoration Demonstration completed in FY05 with airports throughout the Nation. Planning will begin for a new system level "demonstration" of an approach to wide area clean-up following the potential contamination of tens of blocks of a major U.S. city. Work will continue on a second generation of enhanced operational indoor modeling tools with emphasis on critical transportation hubs.

Agriculture - will continue operation of the PIADC and essential upgrades to the facility and will initiate conceptual design and sighting study for the National Bio and Agro-defense Facility (NBAF) – the next generation agro-defense facility that will replace the 50 year old PIADC facility. R&D will continue on next generation vaccines and antiviral therapeutics for FMD and will be expanded to include other high priority foreign animal diseases such as Rift Valley Fever. Development will continue for bioassays targeted for recognition of high priority foreign animal diseases. Assays developed and validated in FY 2005 will be deployed to the National Animal Health Laboratory Network. The multiplexed protein-based test that can be used to differentiate naturally-infected animals from those vaccinated against FMDV (DIVA) will be made available to the international community and an effort made to validate it through the Office International des Epizooties (OIE). The High throughput diagnostics capability developed in FY05 will be tested and evaluated in FY06 in preparation for deployment to a regional or State laboratory. A national scale model for modeling the disease spread of FMD and the efficacy and economic impacts of various intervention strategies will be ready for deployment.

FY 2007 Plan:

Systems Studies and Decision Support Tools - Simulation and trade-off studies conducted in FY 2006 will be expanded in FY 2007, with special emphasis on Gen 3 BioWatch, its coverage, deployment strategies, associated technologies, concept of operations and role in an integrated national biomonitoring system. Performance tradeoff studies and cost-benefit analyses will be performed on various technologies being developed within DHS R&D programs to assist in the down-selection and optimization of technologies as they move from laboratory to prototypes to full scale deployment in next generation architectures. Independent analyses, to identify any weaknesses or vulnerabilities in current or proposed architectures, so called red-teaming, will be initiated.

Systems studies to address any new or under-characterized risks, identified in the HSPD-10 Risk Assessments will be initiated and work will continue on the Biodefense Net Assessments (BNA), called for by the President's *Biodefense for the 21st Century.* The completed BNA is due in FY08.

Threat Awareness and Characterization - will be in the midst of conducting the second formal risk assessment required by the President's *Biodefense for the 21st Century*, this time including agricultural and not just human threats. A major thrust of this round of assessments will be greater emphasis on unconventional and engineered threats. Many of the laboratory studies on closing the key gaps in our knowledge of the classical bioagents will be completed. A "technology watch" for those scientific advances that can significantly impact our assessment of, and strategy for, engineered threats will be underway and there will be increased emphasis on R&D to address the gaps in responding to modified organisms, such as antibiotic resistant. Advances in automated information analysis tools will enable the Biodefense Knowledge Center (BKC) to move from its initial operational capability of research and reach back to an interim capability that also supports "watch and warning". This latter capability will tie in strongly with the National Biosurveillance Integration System to improve biological situational awareness for the nation as a whole.

Surveillance and Detection Operations - will continue to operate and optimize the BioWatch system that includes the fully deployed Gen 2 enhancement to the top threat cities. Special event coverage, to include NSSEs, will continue. Deployment of BWIC, first piloted in FY 2005, will continue to the next seven sites. This will further support BioWatch signal interpretation/event characterization and

assist the public health community with event appropriate intervention strategies. BWIC deployment to the full set of BioWatch sites will be completed by FY 2011.

Surveillance and Detection R&D – development will continue on autonomous detection systems. Specifically, BAND prototypes will be field tested under representative operating conditions and five fieldable prototypes of the most promising system(s) will be developed to be deployed alongside operational BioWatch collectors in FY 2008 as part of the pilot test for Generation 3 BioWatch.

In FY 2007 bioassays for detection and identification of threat agents will complete the development of very low false alarm rate assays for the top 20 agents as identified in our FY 2006 HSPD-10 Risk Assessment. These assays will be available to support the Gen 3 BioWatch pilot in FY 2008. In a related initiative, the S&T Directorate will launch a collaborative program with DOD, HHS/CDC, USPS, and DOJ with the private sector to develop a set of validated assays called Public Health Actionable Assays (PHAA). These assays will be available to the private sector for use in commercial off-the-shelf biodetection following appropriate testing and validation by an independent third party. Providing the commercial sector with a path toward validated assays of known and sufficient quality to initiate a public health response will further enhance the Nation's ability for screening of suspect materials and for early detection and initiation of countermeasures.

Additionally, we will demonstrate laboratory prototypes of several different types of detect-to-warn sensors that can provide rapid enough detection of a biological attack to enable protective actions to minimize an individual's exposure, much as a fire alarm does today. These detectors will differ in the speed with which they can detect an attack and with the specificity with which they can tell what the agent is – and hence will lead to different protective measures. By the end of FY 2007 we will have tested them in a laboratory setting and be ready to down select those which we will develop to field test in FY 2008 followed by pilot deployment in real world situations in FY 2009. Also, we will complete the development of our critical food node sensor begun in FY 2005 and transition this to the FDA and the appropriate food industry sector for deployment.

Bioforensics - NBFAC will continue operations of the dedicated containment laboratories using interim space at the US Army Medical Research Institute for Infectious Diseases (USAMRIID), while beginning transition planning for operations into the new NBACC facility scheduled to be completed in FY 2008 at the National Interagency Biodefense Campus (NIBC) at Ft. Detrick. The NBFAC will continue to provide bioforensic analysis support for Federal customers including the Federal Bureau of Investigation (FBI), law enforcement, Department of Defense (DOD), the intelligence community, State Department and others for ongoing biothreat agent casework. Automation, high-throughput and surge capacity capabilities for the management of evidentiary samples will be further optimized to allow NBFAC to operate seamlessly regardless of conditions. Genotyping assays will be developed for the next set of high priority agents as determined by NBFAC and the law enforcement community. This will ultimately result in a validated set of bioforensic genotyping assays for the top 20 high-consequence biothreat agents and three Foreign Animal Disease (FAD) agents. Genetically engineered or modified agent molecular assays will be developed. Cell-free assays, mouse lethality assays and others will be developed, evaluated, and validated for the high-consequence toxin biothreat agents.

The National Bioforensic Repository Collection (NBRC) will be operational. This collection will then be transitioned to the new NBACC facility. Repository collections at spoke laboratories will be expanded with plans for complete consolidation of all reference collections of the top 30 high-consequence biothreat agents, enteric agents, and related and non-related organisms in the NBRC.

The current NBFAC Spoke operations will undergo an intensive review to ensure that resources are being utilized appropriately. After achieving ISO 17025 certification for the NBFAC interim hub laboratory in FY 2006, NBFAC will concentrate on assisting accreditation of spoke operations with ISO 17025 certifications starting with the Plum Island Animal Disease Center (PIADC) Foreign Animal Disease Bioforensic Spoke Laboratory.

The NBFAC National Laboratory R&D Program will continue focusing on the characterization of biothreat agents and their associated evidentiary sample matrices in three R&D focus areas: physical and chemical analysis of biothreat agents, development of molecular signatures and sample management.

Response and Restoration – Begin development of concept of operations for wide area restoration.

Agriculture – Operation of the Plum Island Animal Disease Center (PIADC) and necessary safety, security and operational upgrades continues. The conceptual design and engineering study for the National Bio- and Agro-defense Facility is completed. Partnering with industry, commercial scale-up, production, and testing is conducted on the improved FMD vaccine which had undergone preliminary testing in FY06. This should result in a product ready for acquisition into the National Veterinary Stockpile by FY08. Advanced development continues on vaccines for other FMD serotypes and other foreign animal diseases (e.g. Rift Valley Fever) and on anti-virals. Remaining diagnostic gaps will be closed.

Decision support tools including systems studies, FMD model, and crisis action planning exercises developed for the top priority foreign animal disease (i.e., FMD) are deployed, and regularly exercised by DHS and sector-specific agency partners. The 'food sensor' designed during FY 2005 and FY 2006 to detect priority pathogens at critical production nodes of the appropriate food industry sector will be commercially available. The high-throughput diagnostics platform developed for FMD and look-alike disease during FY 2004 through FY 2006 is deployed in partner laboratories in the USDA National Animal Health Laboratory Network, thereby providing a significant enhancement of national response and surge capacity.

DHS responsibilities for agro-defense are defined in several public laws and Homeland Security Presidential Directives (HSPD), including the Homeland Security Act of 2002; Congressional appropriations for FY 2004-2006; "Critical Infrastructure Identification, Prioritization, and Protection" (HSPD-7); "Defense of United States Agriculture and Food" (HSPD-9); and "Bio-defense of the 21st Century" (HSPD-10). Collectively, these directives emphasize the need for a coordinated agro-defense program amongst the various sector specific agencies (SSAs). To insure more effective coordination DHS will establish the Joint Agro-terror Defense Office (JADO) in FY 2007. The JADO will be established in the Office of the Under Secretary of DHS S&T, and will provide continuity and functional linkages for these inter-agency interactions, including issues concerning policy (guidance and coordination, development of requirements), research coordination (leadership and coordination of domestic and international programs for requirements-driven advanced development of countermeasures), and strategic planning. To provide overall coordination and guidance, JADO will establish a Senior Advisory Group, to be chaired by the Under Secretary of DHS S&T and vice chaired by USDA, and include representatives from the research and regulatory agencies and homeland security office of USDA. A dedicated staff for JADO will include an executive officer and staff of 4-5 FTEs (e.g., 2-3 DHS and 2-3 inter-agency), whose activities will include active participation in the

inter-agency process, and the preparation of necessary reports, meetings and workshops, and associated travel in support of priority issues in the context of the strategic planning process.

Engineered Threats – Traditional threat agents – those that have their origins in nature – pose the greatest immediate terrorist threat and hence have been the primary focus of the Biological Countermeasures Portfolio to date. However, the explosive pace of discoveries and advances in biotechnology and molecular biology has increased the potential for a future generation of engineered biological threats. The interagency "Strategy for Defending Against Engineered Threats" provides a systematic framework for addressing such threats and calls on DHS to implement a "technology watch" to look for those scientific indicators that would change our understanding of the feasibility of terrorist groups engineering such organisms and to develop detection systems that are specially designed to rapidly detect and characterize unknown and novel threats. Both these activities will be initiated in FY 2007.

PPA: CHEMICAL COUNTERMEASURES

	Perm Pos.	Work Years	Amount
2005 Actual	-	-	**$61,393**
2006 Revised Enacted	-	-	**94,050**
2007 Adjustments to Base	-	-	(10,958)
2007 Current Services	-	-	**83,092**
2007 Program Change	-	-	-
2007 Request	-	-	**83,092**
Total Change 2006-2007	-	-	(10,958)

Science and Technology Directorate requests $83.09 million for this activity. This is a decrease of $11 million below FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The Chemical Countermeasures portfolio enhances the nation's capability to anticipate, prevent, protect from, respond to and recover from chemical threat attacks through interagency leadership and conduct of innovative research, development, and technology transition. To fulfill this mission, the following strategic objectives have been established:

- enable comprehensive understanding and analyses of chemical threats in the domestic domain;
- develop pre-event assessment, discovery, and interdiction capabilities for chemical threats;
- develop capability for warning, notification, and timely analysis of chemical attack;
- optimize technology and process for recovery from chemical attacks; and
- enhance the capability to identify chemical attack sources.

Research and Development (R&D) activities reflect prioritization of the many possible chemical threats and vulnerabilities, as well as the possible systems, methods, and technologies that might address these. End-user input and systems studies that identify gaps in current capabilities guide technology investment. In FY07, the portfolio organization is being adjusted to distribute programs associated with the current Architectures program area where they more appropriately belong. Thus the Architectures program area will be eliminated and the total number of program areas reduced to three: Analysis, Detection, and Response and Recovery. The Laboratory Response Network program in

Analysis will also move to Response and Recovery for improved association to function. The portfolio organization reflects our recognition of the needs to prepare against a range of threats that includes classical chemical warfare (CW) agents, toxic industrial chemicals (TICs), and non-traditional agents (NTAs).

The Analysis Program Area (referred to in the FY06 budget as Chemical Analysis and Coordination) supports development of the required fundamental understanding of toxic chemical threat properties and conducts risk and vulnerability assessments based on these properties. The program also develops and sustains expert reach-back capabilities to provide rapid support in domestic emergencies. The Analysis program area provides support to develop and validate forensic analytical tools and methodologies for attribution. To ensure a cohesive effort to describe threats and countermeasures, key analytical assessments in support of Chemical Countermeasures, including Material Threat Assessments and systems studies formerly supported under the Architectures program area, will be conducted under the auspices of a single entity, the Chemical Security Analysis Center sustained by funding from the Analysis program area.

The Detection Program Area supports technology development for warning and notification of a chemical threat release. It includes technologies responders need to survey potentially contaminated scenes. Target performance characteristics for detectors will be established for different detector applications, and a process to certify that candidate technologies perform as specified will be used. The program works toward the development of technologies that can, in a single package, sense chemical hazards of possible terrorist use as well as more commonly monitored chemicals at costs that will support true dual-use application. Developing such a capability requires a leap forward in technology; research toward that end is embedded across detection technical milestones. In FY07, the Rapidly Deployable Chemical Detection System moves from the former Architectures program area to this program area.

The Response And Recovery Program Area provides technologies used in returning a chemically contaminated area to a normal condition. This area primarily supports development of technologies and guidelines in decontamination, and the analysis of contaminated areas for contamination both before and after restoration processes. In the FY07 budget, the Laboratory Response Network moves from the Analysis program area to the Response and Recovery program area. Additionally, the Facility Restoration Demonstration moves to this area from the Architectures program area.

Coordination with other agencies like the Environmental Protection Agency (EPA), Centers for Disease Control and Prevention (CDC), the Federal Bureau of Investigation (FBI), the Department of Defense (DoD), the interagency Technical Support Working Group (TSWG), and the Intelligence Community (IC) remains critical to support our national chemical preparedness goals. The DoD has developed a particularly strong chemical defense program over a number of decades, and is a key partner for moving new capabilities into the domain of homeland security.

FY 2005 Accomplishments:

Chemical Analysis and Coordination:

- We developed and executed a Memorandum of Agreement (MOA) with DoD on building and use of space to locate Chemical Security Analysis Center at Edgewood campus of Aberdeen Proving Ground (APG), MD. We developed design of CSAC SCIF space, which will be collocated with All-Hazards Sample Receipt Facility at APG. Construction of final CSAC will

be complete in March FY 2007 using DHS Chemical Countermeasures funds executed in FY 2005. We agreed to space for interim operations at APG and identified interim Director for CSAC.

- Through agreement with interagency, we initiated development of a "source book" for non-traditional chemical agents (NTAs), under auspices of CSAC. Source book will collect currently available information on NTAs from multiple agencies into a single searchable document to enable effective threat assessments and advance RDTE related to NTAs.
- We drafted Security Classification Guidance for NTAs in collaboration with IC and DoD to improve information control and enable better communication among agencies working in NTA matters.
- We developed model for chemical reach-back managed through CSAC and interfaced with DHS all-hazards reach-back concept.
- We committed to providing support for an integrated forensic laboratory network that can provide timely, effective, and forensically defensible response to suspect or real incidents of chemical terrorism.
- We initiated design and development of chemically contaminated evidence receival facilities at Lawrence Livermore National Laboratory Forensic Science Center and Edgewood Chemical and Biological Forensic Analytical Center. Initiated development of mobile forensic and evidentiary van.
- We initiated analysis of gaps in chemical forensic analytical methodologies and development of plan to address the gaps. We accumulated current forensic methods for sharing between the forensic centers.
- We began design and construction of two all-hazards sample "triage" laboratories in collaboration with EPA and Association of Public Health Laboratories. These laboratories are designed to exclude chemical and radiological hazards and enable safe handling and dispensation of unknown samples presented to public health laboratories. The effort addresses a major safety concern of the National public health laboratory system. Agreements are under development to place the prototypes at an EPA laboratory and a State public health laboratory for testing and evaluation in FY 2006.
- We established an *ad hoc* interagency technical working group (DHS Chair, EPA, CDC, FBI, DoD) to address issues related to establishment of an environmental chemical analysis capability to support restoration. We established policy issues regarding chemical surety analysis and worked with DoD to examine policy issues toward addressing homeland security goals.
- We conducted an interagency tabletop exercise ("Amber Mist") with Federal, State, and local participation to identify and document issues bearing on environmental, clinical, and forensic laboratory capabilities to address an incident involving persistent highly toxic chemical agent release.

Architecture:

- We approved the New York City Metro Transit Authority's request to keep as a locally-owned asset the expeditionary PROTECT networked chemical detection system deployed, maintained, and monitored on a continuous basis by DHS through the fall of 2004.
- We worked with Office of Domestic Preparedness to have the PROTECT system identified as an allowable expenditure under the FY 2005 Transit Security Grant Program, thereby successfully transitioning the PROTECT system to a capability available to major urban area transit systems.

- We provided final assessment and documentation of three representative scenarios (indoor attack with a chemical warfare agent, outdoor attack with a toxic industrial chemical (TIC), and water supply contamination with a toxin). These studies indicate potential attack consequences, examine possible approaches to mitigate these consequences, and guide the development of technical and operational defensive countermeasures.
- We developed a framework for prioritizing threats and vulnerabilities more generally, based on such features as toxicity, exposure pathway, non-lethal sensory properties, dissemination method and venue attacked.
- We analyzed the value of early detection that could be provided by chemical sensors and video surveillance in facilities to support emergency response measures (e.g. controlled evacuation) aimed at minimizing casualties. This analysis informs requirements developed for detection technology development efforts.
- We examined operational concepts for use with re-locatable detection systems, such as the prototype Rapidly Deployable Chemical Defense System (RDCDS), in selected deployment configurations.
- We assessed the impact and potential countermeasures for excursions on the outdoor reference scenario, including attacks on special events and chemical sources moving through populated areas.
- We completed an assessment of the impacts of a large-scale TIC release and assessed the cost-effectiveness of potential technological solutions and mitigation strategies. We investigated issues associated with transport of chlorine (and similar chemicals) through populated areas. A major city has been involved in identification of potential countermeasures.
- We identified key issues pertaining to contamination of water distribution systems. We analyzed key factors pertaining to the required detection limit, extent of health and economic impacts, and uncertainties surrounding restoration that are directly relevant to establishing technology requirements for water systems. Selected technology alternatives will also be assessed for cost versus effectiveness. We assessed impact and potential countermeasures for excursions from baseline scenario, involving contamination of bottled water.
- We developed an architecture for a Rapidly Deployable Chemical Defense System (RDCDS) to provide chemical detection capability for protection at special events, such as National Security Special Events. The architecture comprises a networked system of ground-based detectors (commercially available) and an aerial surveillance platform, configurable as appropriate to the need of the event.
- The airborne component of RDCDS was certified by USSS for support of NSSEs and supported the 2005 Inauguration and State of the Union events. Airborne system can detect or identify 17 Toxic Industrial Chemicals (TIC) and six Chemical Warfare Agents (CWA).
- We successfully deployed and demonstrated a ground-based sensor network with robust/secure communication system at the San Francisco Airport in January 2005. The current ground based system can detect or identify four classes of TICs and two classes of CWAs.
- The S&T Directorate is funding a Facility Restoration Operational Technology Demonstration (OTD). The goal of this project is to develop procedures, plans, and tools to restore rapidly critical transportation facilities following a release of a chemical warfare agent. Critical transportation facilities to be considered are those that, if shut down, could cause great damage to the US either from an economic standpoint or from a national security perspective. As such, the primary focus of the OTD is on major airports. Accomplishments this FY include:

  - Establishing a partnership with Los Angeles International Airport (LAX) and conducted initial meetings with airport emergency management personnel as well as regulatory agencies that have responsibility for the airport;
  - Establishing a list of threat agents and a threat scenario (at LAX) based on input from other DHS-funded projects and other Federal agencies.
  - Developing an outline for the LAX Restoration Plan. Established preliminary clean-up guidelines for airborne exposure to the threat list agents and initiated development of similar guidelines for contact hazard. Neared completion of survey of sampling and decontamination technologies to serve as basis for recommendations on specific technologies that should be used during restoration operations at partner airport.
  - Initiating modification of a decision support tool that was developed for a previous DHS project (the Biological Restoration DDAP) to handle chemical data. Initiated an advisory board for this project made up of members from other Federal agencies such as the EPA, DOT, and the FBI.
- Water Security Operational Technology Demonstration:
  - We produced a template for choosing, acquiring, and evaluating in-line water sensors for use in homeland security applications.
  - We evaluated sensor performance of three sensor technologies against selected waterborne chemicals, in both laboratory testing and operational testing on an actual local water distribution system. Overall project was guided by an advisory board, comprising representatives from major water utilities, Federal agencies with an interest in water security, and other important stakeholders.
  - We initiated transition discussions with EPA to move effort to EPA in 2006.

Detection:

- Lightweight Autonomous Chemical Identification System (LACIS) Program (Responder Hand-Held Chem Detection Tool): Twelve performers initiated Phase I work. Breadboard systems were tested against high priority TICs under a variety of relative humidity levels and at different temperatures, in the presence of interferents. Preliminary Design Reviews (PDRs) were conducted and performers provided Receiver Operating Characteristic (ROC) curves to characterize their systems' Probability of False Alarms, Probability of Detection, and Limits of Detection. Overall system performance compared to requirements was predicted. Based upon Phase I performance, six of these twelve performers will be down-selected to continue further development in Phase II efforts, being initiated in FY 2005. Phase II efforts focus on combining effectively orthogonal sensing modalities including Ion mobility spectroscopy, differential mobility spectroscopy, chemical resistors, and optical methods.
- Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM) Program: Eight teams actively pursued Phase I projects aimed at developing technologies for low cost, continuous, indoor detection of CWAs and TICs. During Preliminary Design Reviews, each provided, through a combination of analysis and laboratory validation, evidence for the Limit of Detection, Probability of Detection, and Probability of False Alarm for their system, as well as an analysis of the total cost of ownership. Five teams were down-selected and Phase II efforts were initiated.
- Low Vapor Pressure Chemical Detection Systems – Short-Range On-Demand Low Volatility Detector (SOLVD) and Low Volatility Autonomous Chemical Monitor (LoVAC) Programs: Based in part upon gaps in current technologies to detect low vapor pressure chemicals identified in a 2004 workshop of Subject Matter Experts, a Broad Agency Announcement

entitled "Low Vapor Pressure Chemical Detection Systems" was released in the second quarter of FY 2005. Submitters proposed R&D projects to develop two distinct systems. A LoVAC will provide technology to monitor for the presence of chemicals that are either aerosolized or supported on airborne particulates, and the SOLVD will provide responders with a tool to determine whether a hazardous low vapor pressure chemical contaminant is present. From 25 proposals received, 4 SOLVD teams and 3 LoVAC teams were selected for negotiations for awards that began in fall 2005.

Response and Recovery:

- Portable High-throughput Integrated Laboratory Identification System (PHILIS) Program: Of four Phase I teams, three were selected to enter the final combined Phase II-III portion of this project, based upon Critical Design Reviews in which each team provided final designs and defended their estimates of environmental sample throughput and limit of detection of target analytes in the presence of matrix interferents. A production version of each team's mobile integrated laboratory system was provided for independent testing and evaluation at Field Trials conducted at the CUBRC Facility in Springville, New York, July 19-23, 2005. Each team demonstrated an ability to be fully operational within two hours of starting the test, and initially to analyze six independent samples for the presence of target analytes. Following this demonstration, each team was supplied samples representative of 1000 samples per 24-hour period. Analytes included CWAs and TICs from a pre-approved list, and were present at various concentrations in various physical phases and in the presence of a variety of sample matrices, including soil, water, soil with diesel fuel, and water with diesel fuel. Final reports were provided describing the capabilities and limitations of each system undergoing Field Trials. This Program is complete in FY 2005.
- An MOA is in development with EPA for joint DHS-EPA evaluation of two selected prototype PHILIS systems at user sites during FY 2006, with transition of ownership responsibilities to EPA in FY 2007.
- Developed technical performance data on several non-traditional agent decontamination chemistries in laboratory reactor studies.

FY 2006 Planned Accomplishments

Chemical Analysis and Coordination:

- We will complete outfitting of temporary Chemical Security Analysis Center space and initiate staffing of CSAC. Initiate construction of permanent CSAC space. We intend to accumulate data on chemical hazards and identify data gaps.
- We plan to complete the first edition source book on non-traditional chemical agent data.
- We plan to complete nerve agent material threat assessment and initiate material threat assessments of additional chemical threats, with prioritization determined in collaboration with HHS.
- We will establish a chemical expert reach-back program and integrate with DHS all-hazards reach-back concept.
- We will complete construction of chemically contaminated evidence receiving facilities.
- We intend to complete analysis of gaps in forensic analytical methodologies. Initiate validation of existing candidate methods and initiate development of new methodologies against prioritized needs.
- We will complete construction of two prototype unknown sample "triage" laboratories, place in public health lab and EPA regional lab, and initiate assessment in concert with EPA.

- Based on the outcome of policy considerations with regard to chemical surety agent controls and assessment of capacity required, we will develop a prototype fixed laboratory capability to analyze large numbers of samples from chemical contamination event. This effort will target selection of two well-equipped laboratories in mid-Atlantic and Northeast regions for modification to address requirement to support high-volume sample analysis.
- We will design a proficiency testing and performance maintenance program to support fixed and mobile chemical analysis laboratories.
- We will conduct critical enabling studies toward the construction of a chamber for developmental testing of countermeasures to non-traditional agents, in collaboration with DoD.
- We will design a program to develop environmental fate and toxicology data on non-traditional agents, coordinated with DoD programs.

Architecture:

- We intend to complete reports on system studies of three initial representative scenarios (indoor attack, outdoor attack, and attack on water system).
- We will initiate system study on low-volatility agent attacks, identifying potential attack scenarios, assessing consequences, and identifying target countermeasure performance parameters (under auspices of CSAC).
- We will transition the Water Security Demonstration program to EPA.
- Under the Facility Restoration Demonstration Program, we will complete a restoration plan for Los Angeles International Airport which will include scenario planning, roles and responsibilities of stakeholders, recommended clean-up guidelines for three chemical agents and three toxic industrial chemicals, sampling plans for facility characterization and clearance, recommended decontamination strategies, and a waste management plan. The restoration plan will serve as a template for other airports and transportation facilities. A final version of a decision support tool for chemical restoration will be completed.
- The Rapidly Deployable Chemical Defense System Program will complete its market survey of technologies toward definition of best-available technologies for networked ground sensor and aerial chemical surveillance platform. It will expand the number of TICs and CWAs detectable, and obtain certification of ground-based sensor system for use in NSSE support.

Detection:

- Lightweight Autonomous Chemical Identification System (LACIS) Program (Responder Hand-Held Chem Detection Tool): Six Phase II performers will continue laboratory testing against TICs of most immediate concern, and system integration of prototype systems will be completed. Three prototype models of the hand-held sensor from each performer will be delivered by May 2006 for independent testing. Independent Testing Performers will be selected and awarded, and testing of systems against sixteen TICs and four CWAs, in the presence of interferents, will be completed by July 2006. Test results will form partial basis for down-select decisions for Phase III awards.
- Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM) Program: In the second quarter of FY 2006, a laboratory prototype from each of the five Phase II performers will be delivered for extensive testing and evaluation at an Independent Test Facility. The test matrix will consist of sixteen TICs and four CWAs. Based upon Independent Testing of prototypes and result of a Critical Design Review, lesson more than three performers will be selected to begin Phase III R&D efforts. Up to three early pre-production prototypes will be made

available for preliminary field-testing in operational test-beds such as WMATA and Pentagon Shield.

- Low Vapor Pressure Chemical Detection Systems – SOLVD and LoVAC Programs: Each Phase I team will conduct in-house laboratory testing of three Low Volatility Analytes to demonstrate a proof of concept for their technical approach. Each team will provide a Preliminary Design Review for Program Managers. Phase I will finish in FY 2006 and down-selection of performers for beginning Phase II projects will be based on technical evaluation (test protocol, performance targets and system characteristics), funds available, and system total cost of ownership.

***Response and Recovery*:**

- In collaboration with EPA, we will assess prototype Portable High-Throughput Integrated Laboratory Systems (PHILIS) for acceptability to place in user hands for evaluation and modification deemed necessary through user evaluation.
- We will identify needed modifications to one PHILIS system to address non-traditional agent (NTA) field analysis requirement. Identify environmental controls and analytical technologies for analysis of NTA in mobile lab environment.
- Based on a market survey of decontamination technologies and identified shortfalls in performance against CWAs and TICs, we will initiate program to fill performance gaps with new decontamination approaches.
- We intend to identify the most promising current approaches for NTA decontamination and conduct laboratory reactor tests and efficacy studies using coupon tests

FY 2007 Plan

***Analysis (formerly Chemical Analysis and Coordination)*:**

- The Chemical Security Analysis Center will be fully operational; construction completes Mar 2007. CSAC will be fully integrated with DHS S&T all-hazards knowledge management construct.
- Compilation, acquisition and curation of chemical databases and NTA reports will be complete.
- We will complete material threat assessments for high-priority chemical threats.
- We will complete a system study on low-volatility agent attacks, identifying potential attack scenarios, assessing consequences, and identifying target countermeasure performance parameters.
- We will complete critical enabling studies toward the construction of a chamber for developmental testing of countermeasures to non-traditional agents, in collaboration with DoD.
- We will initiate data acquisition on environmental fate and toxicology of NTAs.
- We will validate new forensic analytical methodologies developed in FY 2006.

Detection:

- Lightweight Autonomous Chemical Identification System (LACIS) Program (Responder Hand-Held Chem Detection Tool): Phase III awards will begin in early FY 2007, following a successful Phase II Critical Design Review and consideration of results from testing of prototype systems. Systems delivered at end of Phase III will be field tested.
- Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM) Program: Two or three of the most effective systems developed by the original eight Phase-I performers will finish development in Phase III R&D programs. Each team will deliver field prototypes in FY 2007 for testing and evaluation at an independent test facility.

- Low Vapor Pressure Chemical Detection Systems – SOLVD and LoVAC Programs: Phase II efforts will commence in FY 2007. Each team will deliver a laboratory prototype to HSARPA for testing and evaluation at an Independent Test Facility near the end of Phase II. In an effort to produce an early version of a working prototype, at least two teams will deliver fieldable prototypes in FY 2007. Next generation systems will initiate their Phase III efforts after the successful completion of a Critical Design Review.
- The Rapidly Deployable Chemical Defense System will continue to support NSSE. Continue spiral development of the RDCDS system to incorporate new technologies.

Response and Recovery:

- We will modify prototype Portable High-throughput Integrated Laboratory Identification Systems (PHILIS) based on user input and recommendations after FY 2006 evaluation period and leave behind as deemed appropriate, and we will transition the program to EPA.
- We will initiate modifications of mobile laboratory to enable field analysis of NTAs.
- We will complete assessment of triage labs and prototype fixed labs; leave in place if assessment favorable.
- We will complete definition of accreditation process for chemical laboratory performance.
- The Facility Restoration Technology Demonstration will focus on the transfer and application of the concepts developed in FY 2005 and FY 2006 for airports to other types of critical facilities such as subway systems and other transportation nodes. In addition, FY 2007 accomplishments will focus on filling data and technology gaps critical to the restoration of facilities such as the decontamination of sensitive equipment and the interactions of chemical agents on surfaces.
- We plan to assess progress toward identification of next-generation decontamination technologies for persistent agent decontamination.

PPA: EXPLOSIVES COUNTERMEASURES

	Perm Pos.	Work Years	Amount
2005 Actual	-	-	**$18,826**
2006 Revised Enacted	-	-	**43,560**
2007 Adjustments to Base	-	-	43,022
2007 Current Services	-	-	**86,582**
2007 Program Change	-	-	-
2007 Request	-	-	**86,582**
Total Change 2006-2007	-	-	43,022

Science and Technology Directorate requests $86.6 million for this activity. This is an increase of $43 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The Explosives Countermeasures portfolio develops and coordinates technical capabilities to detect, interdict, and mitigate the consequences of the use of improvised explosives devices (IEDs) in terrorist attacks against the population, mass transit, civil aviation and critical infrastructure. Its research, development, test and evaluation (RDT&E) activities include prioritization of efforts among the many possible terrorist threats and targets, development of new detection technologies, and evaluation of integrated protective systems for high-value facilities. RDT&E priorities focus on the detection of vehicle bombs, suicide bombers, and leave

behind bombs. As a result of the R&D Consolidation in FY 2006, the Explosives Countermeasures portfolio will also dedicate significant resources to continue the development of explosives detection and blast mitigation systems for civil aviation security. Consistent with this RDT&E leadership role, the Explosives Knowledge Center initiated in FY 2005 will provide guidance and information to ensure that preparedness capabilities at the Federal, State, local, and tribal levels are updated over time to be consistent with new and emerging technologies and capabilities as well as with the changing threat.

FY 2005 Accomplishments:
The following activities describe key accomplishments for the explosives portfolio in FY 2005:

- initiated pilot of commercially-available technologies to screen for suicide bombers in a mass transit rail environment;
- initiated development of stand-off explosives detection technologies for suicide bombers;
- initiated development of explosives detection technologies, stand-off and checkpoint for vehicle bombs;
- drafted a blast mitigation RDT&E strategy for infrastructure protection; and
- initiated the creation of the Explosives Knowledge Center. This knowledge center will support preparedness for State, local, and tribal communities by developing system architectures, based on technology information and assessment tailored to the local community. The end result will be to give State, local and tribal communities the capability to make optimal risk versus cost choices for explosive countermeasures.

FY 2006 Plan:
Efforts will focus on developing the ability to detect, interdict and mitigate the consequences of suicide bombs, leave behind bombs, and vehicle bombs. The Explosives Portfolio will also provide the ability to detect, interdict and mitigate the consequences of explosives and weapons attacks on air transportation (both domestic and foreign inbound). Such protection will extend to passengers and their baggage, as well as to cargo containers and bays. The Explosives Portfolio will lead an interdepartmental effort to develop a national strategy for explosives countermeasures technology RDT&E to address the prevention, protection, response and recovery for our domestic critical infrastructure and key assets.

Aside from cross-cutting research initiatives applicable to all programs, specific RDT&E areas to be pursued are:

Aviation Security: An air cargo pilot program will evaluate the operational feasibility of screening break-bulk air cargo using available technologies. We will complete development of a prototype automated carry-on baggage explosives detection system, and will evaluate and improve. The next-generation checked baggage Phoenix program will be completed. The development of advanced systems to screen people for both explosives and weapons will be initiated. Certified checked baggage Explosives Detection System (EDS), checkpoint screening, and cargo screening systems will be evaluated for certification or qualification.

Suicide Bombers/Leave-Behind IEDs: The portfolio will pilot available and prototype explosives detection and mitigation countermeasures in a rail environment. In parallel, the RDT&E program will develop new capabilities--for example, advanced systems to screen people at stand-off distances for explosives--that will significantly enhance existing capabilities against suicide bombers. The portfolio

will work in conjunction with the Domestic Nuclear Detection Office (DNDO) to address the detection of smuggled explosives in inbound cargo.

Vehicle Bombs: The portfolio will complete the development of a prototype checkpoint vehicle bomb detection system. A pilot to test available systems suited for outdoor screening at checkpoints will be conducted. The portfolio will continue development of stand-off vehicle bomb detection systems. To fill the technology gaps identified in the infrastructure protection strategy developed in FY 2005, the portfolio will develop methods to mitigate blast effects on critical infrastructure, and provide guidance on the implementation of available blast mitigation technology. The portfolio will also pursue the ability to detect marked commercial explosives at locations upstream from the target.

Explosives Knowledge Center: The requirements for the explosives knowledge center will be determined and the center will be established.

FY 2007 Plan

Efforts will continue to focus on developing the ability to detect, interdict and mitigate the consequences from aviation threats, suicide bombs and vehicle bombs approaching high profile targets and densely populated areas. Aside from the cross-cutting research programs, specific areas to be pursued are:

Aviation Security: The portfolio will complete the air cargo pilot to evaluate available technologies to screen break-bulk air cargo. The prototype automated carry-on baggage explosives detection system will be evaluated and readied for qualification. Current passenger explosives detection systems will be improved and evaluated. The development of advanced systems to screen people for both explosives and weapons will continue to be pursued. And as improved systems become available, checked baggage EDS, checkpoint screening, and cargo screening systems will be evaluated for certification or qualification.

Suicide Bombers/Leave-Behind IEDs: The portfolio will pilot available and prototype explosives detection and mitigation countermeasures in operational environments to protect critical infrastructure. Prototypes of advanced systems to screen people for suicide bombs will be developed. The portfolio will continue to work in conjunction with DNDO to address the detection of smuggled explosives in inbound cargo.

Vehicle Bombs: A pilot to test available and prototype systems suited for outdoor screening will be conducted. The portfolio will continue the development of stand-off vehicle bomb detection systems. Blast mitigation methods to protect critical infrastructure will continue to be developed, as well as guidance on the implementation of available blast mitigation technology will be provided. The portfolio will continue to pursue the ability to detect marked commercial explosives at locations upstream from the target.

Explosives Knowledge Center: An explosives knowledge center will be fully operational and conduct activities prescribed by the plans and implementation practices developed in FY 2005 and FY 2006. Specifically, the explosives knowledge center will:

- develop techniques to determine State, local, and tribal explosives countermeasures technology needs and produce optimum explosives response architecture;

- provide technical outreach to State, local, and tribal communities regarding explosives threats and explosives countermeasures technology, training and procedures; and
- deliver and test that capability in one Regional Technology Integration initiative city.

PPA: THREAT AWARENESS PORTFOLIO (FORMERLY THREAT AND VULNERABILITY, TESTING AND ASSESSMENT)

	Perm Pos.	Work Years	Amount
2005 Actual	-	-	**$84,315**
2006 Revised Enacted	-	-	**42,570**
2007 Adjustments to Base	-	-	(2,719)
2007 Current Services	-	-	**39,851**
2007 Program Change	-	-	-
2007 Request	-	-	**39,851**
Total Change 2006-2007	-	-	(2,719)

Science and Technology Directorate requests $39.9 million for this activity. This is a decrease of $2.7 million below FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The RDT&E activities funded through the Threat Awareness Portfolio (TAP) primarily support two DHS strategic goals: awareness and prevention. Furthermore, they provide the tools and knowledge necessary to meet one of the Secretary's recently announced imperatives to increase preparedness, with particular emphasis on catastrophic events caused by weapons of mass effect (WME), and the requirements delineated in the Department's National Preparedness Goal. TAP's efforts focus on developing information about the two basic elements of terrorist threat, namely, terrorist capabilties and terrorist motivations and intents, and providing the advanced information processing tools necessary to rapidly and accurately discover, use, and share such information. Such tools and methods are intended to enable and enhance Federal, State, and local awareness of a broad range of threats through information fusion and information sharing. TAP carries out its mission through seven interrelated programs in three critical areas:

WME Capability Assessment and Attribution

- All-WME Capability Assessment - Assessing the scientific and technical capabilities of foreign and domestic terrorist groups to develop and deploy weapons of mass effect and other threat agents

Social-Behavioral Analyses of Terrorist Threat

- Motivation and Intent – Develop the ability for the U.S. to predict the incidence and timing of terrorist actions. Understand how socio-political, cultural, and behavioral factors relate to the motivations and intents of terrorists. Develop predictive and prescriptive analytical models that enable continuous assessment of individual- or group-related motives, behaviors, and intentions signifying terrorist actions
- Terrorist Detection – Developing and applying multiple physical and behavioral indicators of terrorist threat, including multimodal biometrics to identify terrorists as well as remote, non-invasive psychological and physiological measures and techniques to determine deception or detect hostile intent

Knowledge Management Tools for Fusing and Sharing Information

- Data Science and Data Representation – Develop the ability to ingest process and fuse vast quantities of information to find hidden relationships and links, enabling the U.S. to "connect the dots" ahead of time. A common, multi-use computing architecture for collecting, analyzing, synthesizing, and disseminating massive amounts of threat information from multiple, distributed, and disparate data sources
- Visualization and Analytics – Today intelligence and law enforcement have very large dynamic data sets, but their usefulness is limited by the analyst's ability to understand or comprehend the data. Visualization and analytics seeks to display relationships and dynamics of vast amounts of intelligence in an intuitive visual way. Techniques for rapidly and easily discovering, relating, and synthesizing diverse information of multiple data types and from multiple sources, including information extraction and pattern discovery from massive, diverse data sets
- Discrete Sciences and Modeling and Simulation – Our ability to understand and simulate the dynamics of a major event, like Hurricane Katrina, is limited by our modeling and simulation technologies. In-depth simulation will enable us to predict in real-time major event consequences and courses of action. Advanced computing algorithms and hardware architectures for modeling, simulating, and managing threat data in real time and with high resolution; integrated simulation and modeling techniques for threat assessment, scenario planning, and incident response
- Interagency Testing and Evaluation – An interagency collaborative facility for testing, evaluating, prototyping, and piloting knowledge management technologies for national-level threat assessment capabilities; extending to operational deployments at Federal, State, and local venues

Activities in this portfolio are designed to provide computer-based tools that enable DHS analysts to evaluate extensive amounts of diverse threat information; detect and document terrorist intent; couple threat information with detailed knowledge of terrorists' capabilities for developing and sources for obtaining weapons of mass effect; and to draw timely insights and distribute assessments from the information. Capabilities appropriate to federally managed information sources, including security and privacy tools required to share information and collaborate among various Federal, State, and local government organizations as well as foreign governments and international organizations involved in homeland security are also being developed and implemented. Such activities directly support the Office of Intelligence and Analysis (OIA), the Directorate for Preparedness, the Transportation Security Administration, Customs and Border Protection, and Immigration and Customs Enforcement, as well as other operational entities within DHS. In addition, the portfolio's efforts have been designed to enable collaboration with intelligence, law enforcement, and other homeland security community agencies.

FY 2005 Accomplishments

In FY 2005, several comprehensive research and development programs – on the social and behavioral aspects of terrorism and responses to terrorism, on visual analytics techniques for discovering and accessing information, and on discrete mathematics for managing and processing data in massive, disparate data sets – were established. In addition, implementations of TAP technologies were initiated throughout DHS.

- We hosted a comprehensive, 3-day Portfolio Review at the Nevada Nuclear Test Site for all nine TAP programs and their 60 individual projects being executed through ORD, HSARPA, and SED. Participants included 125 project, program, and portfolio staff as well as S&T management and the former Information Analysis and Infrastructure Protection (IAIP) and Custom and Border Protection (CBP) customer representatives.
- TAP initiated a multi-faceted research and development program in terrorist motivation and intent. This program addresses projects ranging from modeling the socio-political, behavioral, and cultural bases for terrorism on a group, organizational, or cultural basis to detection of deception and determination of intent on an individual level using social-behavioral or advanced, multiple biometrics measures. As with all sponsored work, the research encompasses broadly based efforts at national laboratories, universities, and commercial organizations.
- With the White House Office of Science and Technology Policy (OSTP), TAP established a Social, Behavioral, Economic Partnership that includes 21 experts in the socio-political, behavioral, cultural, and psychological aspects of terrorism and responses terrorism. This group provides expert advice on and help set a research and operational agenda for programs in this area. We hosted the Partnership's initial 2-day meeting in March 2005.
- TAP created a knowledge management architecture, known as ADVISE (Analysis, Dissemination, Visualization, Insight, Synthesis, and Enhancement) to integrate the various information analysis and synthesis, visualization, and knowledge discovery component capabilities. ADVISE also created and incorporated a comprehensive encyclopedia of CBRNE threat and consequence and effects data.
- TAP established an Institute for Discrete Sciences (IDS) to investigate and develop the specialized computing algorithms and hardware architectures necessary to analyze massive amounts of diverse data from multiple, disparate, distributed data sources and to model terrorist attacks and simulate consequences on a real-time, high-resolution basis.
- We completed the national-level research agenda for the National Visualization and Analytics Center (NVAC), Illuminating the Path published by IEEE in July 2005. We formally established the first Regional Visualization and Analytics Center (RVAC) at Stanford University, and initiated formal steps to create two Government VACs to support the NVAC. The RVACs and GVACs will incorporate university research activities as well as commercial and other government visual analytics research into the national lab-oriented work of the NVAC.
- We expanded the pilot Threat Vulnerability Integration System (TVIS) at OIA to include the enhanced computer hardware, networking hardware, and a suite of analytical and visualization tools available with ADVISE. TVIS has been connected to OIA's internal networks and made available for use by all analysts. Replaced the initial TVIS system at the Biodefense Knowledge Center with the enhanced ADVISE capability.
- TAP completed an engineering design for the Enhanced International Travel Security (EITS) system, which allows the validity of travel documents and the identity of travelers to be determined in real-time at U.S. borders and other points of entry. We initiated planning for a pilot system to be implemented with the United Kingdom and Australia. We established formal working groups with representatives from S&T, Customs and Border Protection, US-Visit, as well as the US Department of State, the UK Passport Services Office, and the Australian Department of Immigration Affairs, to oversee the pilots and lead development and implementation of EITS
- We completed science-based assessments of the chemical, biological, radiological, nuclear, and advanced explosives (CBRNE) capabilities and efforts for the 42 terrorist groups considered by

the intelligence community to pose the highest threat to the US. We also completed assessments of 21 infrastructure sectors from a terrorist target perspective. These assessments were provided directly to IAIP in support of their mission.

- TAP developed advanced computing algorithms in support of improved aerosol dispersion models, bioinformatics, and scalable information extraction; such high-resolution, real time algorithms will make more accurate information available for indoor and complex cityscape environments, for partial nucleic acid determinations of biothreat agents, and for distributed, disparate information sets. This work has already led to such enhancements as a thousand fold decrease in the time required to simulate the dispersion of a toxic aerosol in complex indoor environments and a tenfold decrease in the time necessary to identify a biological threat organism.
- We created the Inter-agency Center for Applied Homeland Security Technology (ICAHST) to enable collaboration among intelligence and law enforcement community agencies on the testing, evaluation, and prototyping of information analysis and sharing technologies. In FY 2005 some 23 Federal agencies are represented on the Steering Group and the several working groups. We began the build-out of the facility, which is located in secure space at the Johns Hopkins University Applied Physics Laboratory, and we initiated the first three inter-agency testing projects for DHS, the National Counter-Terrorism Center, Central Intelligence Agency, National Security Agency, and the National Reconnaissance Office.
- We expanded programs on the science and technology needed for the development of multiple biometrics (such as fingerprints, facial, and iris scanning) for more precise, more rapid identification of individuals and for the transition of US-VISIT from 2-print to 10-print fingerprint enrollment; TAP also developed prototype instrumentation to aid authorized officials in detecting individuals with potentially hostile intent.

FY 2006 Plan

For FY 2006 the following activities, which include consolidation of the various research efforts into operational prototype and pilot systems as well as definitive advancements in knowledge management technologies and techniques, are planned.

- We intend to establish four regional components supporting the Institute for Discrete Sciences, including university and other government laboratory facilities. In addition, two government-hosted visualization and analytics centers (GVACs) supporting NVAC activities will be established
- We will complete pilot EITS activities with the UK and Australia under the sponsorship of the US-VISIT program. Efforts to pilot EITS with an additional six to eight G8, European Union, or Organization for Economic Cooperation and Development (OECD) countries will be initiated. The design, policy, security and privacy technologies and procedures, as well as a governance model for worldwide travel security will be established. The latter effort will build on the support and guidance provided to the DHS/State/OSTP team by the OECD in FY 2005.
- We will complete science-based WME assessments for an additional 20 groups or organizations, including domestic groups, and provide an integrated informational capability to support indications, warning, and response activities for CBRNE threats.
- We intend to create a comprehensive, real-time dataset of worldwide terrorism incidents since 1945 to form the basis for both motivation and intent threat awareness modeling and the development of visualization, analytical, and discrete simulation tools. Such data will enable the models to be validated and the tools to be tested for accuracy.

- We will develop and, more importantly, validate, models for terrorist group-level motivation and intent to enhance analytical threat assessment capabilities
- We will complete prototype of deception detection and intent determination technologies and initiate effort to pilot system at one border location.
- We will initiate a BorderSafe pilot including the Tucson Police Department and the San Diego-based Automated Regional Justice Information System (ARJIS) as well as CBP and Immigration and Custom Enforcement (ICE) to demonstrate Federal, State, and local information sharing.
- We will create a CBRNE threat encyclopedia and integrate it with the ADVISE system to provide immediate, complete data for the Biodefense Knowledge Center as well as other threat knowledge centers being established by DHS.
- We will build out the initial ICAHST facility, and complete the initial set of evaluations of knowledge discovery technologies, including ADVISE with the NCTC.
- We will integrate the second-generation INSPIRE and STARLIGHT visualization tools developed in FY 2005, the first generation of which have proven to be successful at IAIP as well as CIA and NSA, into TVIS and the BKC.
- We will build a discrete mathematical basis for large-scale information management, that is, dealing with up to 10^{10} facts or entities, for ADVISE. Provide an additional tenfold speedup for indoor simulations and expand rapid identification of bioagents to six more organisms. Integrated simulation capabilities will be made available to multiple DHS components.
- Finally, we will develop a capability for information extraction, pattern discovery, group detection, and visualization for unstructured text to complement the capability for structured data developed in FY 2004 and implemented for large data sets in FY 2005.

FY 2007 Plan

In FY 2007, the scope of the research programs and selected development and piloting efforts will focus on technology application and implementation through integration of the knowledge management, social-behavioral models, and all-WME technical capabilities and attribution activities rather than on research.

- We intend to complete implementation of the upgraded ADVISE system, which includes new visualization and discrete modeling tools, at four sites – OIA, Customs and Border Protection, Immigration and Customs Enforcement, and the Biodefense Knowledge Center.
- We plan to implement initial ADVISE capability for maritime domain awareness with US Coast Guard and Customs and Border protection; focus on real-time, continuous monitoring of ship movements.
- We will evaluate initial ADVISE capability for use by BorderSafe's State and local information sharing system pilot and if successful incorporate the comprehensive information analysis and visualization capabilities of ADVISE within the multi-agency information sharing activities of BorderSafe to enable Federal, State, and local intelligence fusion for the southwest border.
- We will expand BorderSafe pilot to include additional State and local jurisdictions, and connect with two other sites along the southwest border, and expand the scope and variety of wireless devices to include new functionality such as GPS assisted officer alerts and notifications, GPS based reporting, biometrics, and real time computer aided dispatch.
- We will develop a capability for information extraction, pattern discovery, group detection, and visualization for audio and video information to complement the capability for structured data and unstructured text developed in FY 2005 and implemented for large data sets in FY 2006.

- We plan to enhance the discrete mathematical basis being developed for large-scale, multi-modal information management to handle another tenfold increase in facts or entities. Develop a common data representation scheme for text and textual data, images, audio, and video to enable future multi-modal intelligence analysis, visualization, and fusion.
- We intend to provide a tenfold increase in the number of or speed at which documents are processed and analyzed through visualization tools.
- We will develop advanced scientific computing, discrete mathematics-based software algorithms for use in remote analysis and detection of WME threat agents secreted in cargo containers.
- We plan to add two State and local organizations to the ICAHST consortium and initiate joint evaluations among Federal, State, and local partners for national-level information sharing tools.
- We will complete development and validation of group-based motivation and intent model and incorporate within ADVISE framework; initiate development efforts to extrapolate models to individual and sub-cultural levels.
- We will combine information on the CBRNE threat capabilities of foreign and domestic terrorist groups with specific knowledge of their motivations and intents as well as behavioral models to fully describe the potential spectrum of terrorist threat to the US.
- We will develop and lead series of interagency studies on radicalization and the formation of domestic and international radical groups.

PPA: STANDARDS

	Perm Pos.	Work Years	Amount
2005 Actual	-	-	**$39,903**
2006 Revised Enacted	-	-	**34,650**
2007 Adjustments to Base	-	-	(12,519)
2007 Current Services	-	-	**22,131**
2007 Program Change	-	-	-
2007 Request	-	-	**22,131**
Total Change 2006-2007	-	-	(12,519)

Science and Technology Directorate requests $22.1 million for this activity. This is a decrease of $12.5 million below FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The development, adoption and implementation of standards are critically important for homeland security. Standards provide the basis for ensuring the effectiveness of scientific and technological tools critical for homeland security. Measures of effectiveness include basic functionality, appropriateness and adequacy for the task, interoperability, efficiency, and sustainability. With the mission to develop and coordinate the adoption of national standards and appropriate evaluation methods to meet homeland security needs, the Standards Portfolio cuts across all aspects of the Science and Technology (S&T) Directorate's mission. Homeland security standards address metrics for products, services, and guidelines, performance specifications, testing and evaluation protocols, training, certification of equipment and personnel, as well as metrics and quality assurance for deployment of systems. Standards are also an essential component of codes of practice and standard operating procedures. These standards will

provide the Department of Homeland Security (DHS) the ability to provide guidance to Federal, State, tribal and local homeland security entities regarding purchase, deployment, and use of these tools.

Without standards, State, local governments, and other first responder communities would be forced to purchase equipment without any knowledge of equipment functionality, adequacy for task, reliability, and interoperability. In many cases, the homeland security community would be forced to rely on private industry claims of performance or anecdotal information. Billions of dollars could be spent on ineffective equipment. In addition, standards lower the risk of introducing new or improved technologies into the field by defining requirements, standard operating procedures, and requirements for training so that the equipment is used correctly and in the correct scenario. The development of standards enables the successful technology transition into the field of the technologies that the S&T Directorate develops.

In addition to the development and adoption of standards, the Portfolio is concerned with determining and ensuring compliance with the requirements outlined in the standards. The Standards Portfolio develops the appropriate conformity assessment programs, such as certification and accreditation programs, to make sure that the appropriate standards are followed. Effective conformity assessment programs based on standards will fulfill the needs of DHS, other Federal agencies, State, tribal and local governments, first responders and the private sector for confidence in the performance of procured and deployed critical security products, systems and personnel.

The Standards Portfolio is organized to align with and address the needs of a wide variety of homeland security customers including those internal to S&T, those internal to DHS, and those external to DHS (i.e., the emergency response community – fire, police, emergency medical, HAZMAT personnel and infrastructure operators). The portfolio currently consists of four major thrust areas: Standards for Chemical, Biological, Radiological, Nuclear, and Explosive Countermeasures (CBRNE), Standards for Emergency Preparedness and Response (EPR), Standards for Border and Transportation Security (BTS), Standards for Information Analysis and Infrastructure Protection (IAIP). These thrust areas were organized to align with the major DHS Directorates and the Science and Technology Portfolio Managers. They are flexible in nature and may be changed to account for changes in DHS organizational structure, DHS customer priorities as well as DHS strategic goals. In addition, the portfolio supports some efforts that cut across all the thrust areas and establish an integrated standards process and infrastructure within DHS.

The Standards Portfolio Thrust Areas are further delineated into nineteen major standards working groups. The **CBRNE Thrust Area** working groups currently include: Biological Countermeasures, Chemical Countermeasures and Explosive Countermeasures. Funding for the Radiological/Nuclear Countermeasures working group is within the Domestic Nuclear Detection Office (DNDO). However, S&T will service DNDO in performing this function. The **Emergency Preparedness and Response Thrust Area** working groups include: Incident Management Standards, Communications Standards, Training Standards, Personal Protective and Operational Equipment Standards, Urban Search and Rescue Robot Standards, and Geographical Information Systems Standards. The **Border and Transportation Security Thrust Area** Standards Working Groups include: Biometrics standards, Radio Frequency Identification Standards, X-Ray Standards, and Customs Standards. The **Information Analysis and Infrastructure Protection Standards** Thrust area working groups include: Modeling, Simulation and Analysis Standards, Building Automation Systems, Integrated Sensors Standards, and Structure Standards.

Standards development in some of these areas is more mature than others. Initially, the Standards Portfolio focused on high priority, urgent standards issues with short-term deliverables, i.e. As the program matures other existing standards development programs are being incorporated into the Standards Portfolio.

FY 2005 Accomplishments:
The following are highlights of FY 2005 accomplishments in the Standards Portfolio.

Integrated Standards Process and Infrastructure: In FY 2005, the majority of Standards Subject Area working groups have been initialized. Most groups have met to begin the process for determining gaps and priorities for the development of new standards. The homeland security standards database has been released and is available at www.hssd.us. In addition, the Standards Portfolio supported the American National Standards Institute Homeland Security Standards Panel (ANSI-HSSP), which serves as an effective government and private partnership, providing a forum for discussion of high-priority homeland security standards areas. ANSI-HSSP held several forums in FY 2005 addressing chemical and biological countermeasures standards, first responder training standards, emergency communications standards, enterprise power security standards, and perimeter security standards.

Conformity Assessment: Model conformity assessment systems have been developed for interoperability of public safety radio equipment, biometric access control equipment and radiation detectors. The development of technical and program operation documents is underway in these areas. Additionally, standards and conformity assessment expertise has been added to standards development in the areas of radiation detectors and non-intrusive inspection equipment (X-ray scanners) to ensure the objectivity of performance and test requirements, suitability for conditions of use and reference to accepted requirements where practical.

Standards for CBRNE & Cyber Countermeasures
Biological Countermeasures: In FY 2005, the Biological Countermeasures Working Group re-focused priorities on developing standards to support and build confidence in the nation's response to a suspicious powder event. Several interagency working groups were established to standardize and ensure the effectiveness of sampling and field screening processes related to response to a visible suspicious powder. Specific accomplishments include developing a draft standard for field performance of hand held immunoassays, developing standardized training specific to validated hand held immunoassays, drafting a national sampling standard for visible suspicious powders, and initiating the development of guidelines for how and when to use hand held immunoassays in the field. Other accomplishments include the evaluation and characterization of candidate reference materials for *Bacillus anthracis* and ricin. In addition, the Standards Portfolio has participated and supported an interagency effort to develop standards for chemical and biological decontamination.

Chemical Countermeasures: In FY 2005, the first-ever performance standard for a point chemical agent vapor detector for use by civilian responders was drafted and is being balloted through ASTM. Coordination to establish a conformity assessment program for the detectors was conducted in FY 2005, with the intent to have the program in place in FY 2006. In addition, a standard protocol was developed to generate instrument independent libraries for field portable Raman Spectrometers. A report was issued on Photoionization Detectors (PIDs) in use by emergency responders.

Radiological / Nuclear Countermeasures: In FY 2005, the standards portfolio published the results of the testing of four classes of radiation detectors to the ANSI N42 standards adopted by DHS in FY

2004. The results were posted to the Responder Knowledge Base and considered in the 2005 Selected Equipment List (SEL) available from the Interagency Board on Equipment Standardization and Interoperability (IAB). Lessons learned from the first round of testing led to the development of draft revisions to the four ANSI standards and a second round of testing was initiated. New standards development efforts include a performance standard for spectroscopic portal monitors currently under ballot. This standard is already being used for testing equipment at the Nevada Test Site. Other accomplishments include the preparation of a draft standard on performance specifications for active interrogation systems used in detection of special nuclear materials, calibration of neutron sources of low fluence levels, the development of a draft standard for portable neutron detectors, and a draft standard for active interrogation systems.

Explosive Countermeasures: Standards were developed for calibration and optimization of performance for hand-held trace-explosive detectors. The resulting draft standard is entitled "Standard Practice for Verification of Ion Mobility Spectrometry-based Trace Explosives Detectors". This standard is currently under ASTM formal review. Field evaluations are being conducted using these procedures with the NIST security personnel. Efforts to develop reference materials to be used in the calibration of explosive detectors continued in FY 2005. In addition, the documents entitled, "IMS-based Trace Explosives Detectors for First Responders" and "Characterization of Trace Explosive Detector Performance by Ion Mobility Spectrometry", have been delivered to the Transportation Security Administration.

Cyber: The programs for E-Authentication, Forensics for Personal Digital Assistant (PDA) Handheld Devices, and Checklists for Securing Operating Systems and Application Configurations have continued, along with a new start to develop a Standardized Mechanism for Universal Access Control to enable and promote sharing of information across organizational boundaries each with potentially different access control policies. The e-Authentication program is in the process of extending Electronic Authentication guidance to encompass knowledge based authentication and has a technical white paper on knowledge based authentication for e-Authentication. In addition, a workshop was held on the use of biometrics for remote authentication from uncontrolled workstations. The forensics program analyzed commercially-available forensic tools for examining cell phones and hybrid PDA/phones, and developed a guide summarizing the capabilities and limitations of these tools for handling and examining such handheld devices. The checklist program continued the development of special publications and accompanying checklists that cover a variety of technology areas, introduced the Checklist web repository, began to process and review externally submitted checklists, and conducted a second workshop that involved information technology product vendors and software configuration and management tool vendors. The standard access control mechanism program surveyed existing access control policies and models, identified access controls most primitive and atomic principles and functions and design a universal access control mechanism capable of abstracting, combining and enforcing all existing attribute based access control policies and models.

Standards for Incident Management (formerly wrapped into EPR area): In FY 2005, the Standards Portfolio focused on establishing communication and coordination with the National Incident Management System (NIMS) Integration Center (NIC). An S&T Standards Portfolio staff member was detailed full time to the NIC to ensure proper coordination in the area of incident management standards. New standards priorities in this area were established for FY 2006 based on NIC input on their requirements. Other accomplishments include obtaining the final approval for the ASTM Hospital Preparedness Standards in FY 2005. The ASTM Mission Essential Task List (METL) standard for first responders was drafted but is currently under revision to coordinate with similar initiatives owned

by the National Fire Protection Agency (NFPA). The development of several draft ASTM standards were also supported in FY 2005 including a standard guide for building event dispersion and health assessment preparedness and response planning, a standard guide for conducting emergency preparedness drills and exercises, and a standard guide for developing model emergency operations plans in response to all-hazard events including CBRNE. Due to shifting priorities, the effort that supported Environmental Measurements Laboratory to initiate a cooperative interagency effort to address laboratory emergency response measurement protocol development and laboratory capability and capacity assessment was halted.

Standards for Personal Protective and Operational Equipment: Work continued with the National Institute for Occupational Safety and Health (NIOSH) on the suite of CBRN respiratory protection equipment standards. Testing continued on Self-Contained Breathing Apparatus (SCBA), Air Purifying Respirators (APR – gas masks) and Escape Masks. Work continued on the development of standards for Powered Air Purifying Respirators (PAPR) and Closed-Circuit Self Contained Breathing Apparatus (CC_SCBA) and on the development of simulants for chemical warfare agents for use in the development of respirators. The National Fire Protection Association (NFPA) 1991 standard was revised to include CBRN protection requirements and to incorporate the NIOSH CBRN respiratory standards. The NFPA 1994 standard is undergoing final revisions to incorporate new test methods and classes of ensembles to include a standard for a "particulate protective" ensemble for use when dealing with suspicious powders. Investigation in the toxicological properties of toxic industrial chemicals continued, which will help determine appropriate challenge agents and breakthrough concentrations for skin hazards to support future chemical protective ensemble standard development. Research was conducted on system integration of equipment and communications devices for emergency responders. Test methods for the assessment of thermal stress on electronic devices used by emergency responders, such as Personal Alarm Safety Systems (PASS) devices was conducted, results of this effort will be included in future NFPA standards. The NIOSH CBRN respiratory protection standards were incorporated into the NFPA 1991, 1994 (draft) and 1971 (draft) standards. Work is continuing on advanced protective equipment for law enforcement, bomb suit standard. Equipment for chemical and biological agent detection equipment were revised and posted on the Responder Knowledge Base.

Standards for Interoperable Communications: Studies in the dielectric properties of building materials and signal propagation through collapsed structures were conducted. Tests were conducted in buildings scheduled for implosion; initial results measured before and after the collapse of a 13-story high rise apartment building that transmitters would have to overcome a minimum of 60 to 80 dB decrease of signal strength in order to communicate successful using a two-way radio or cell phone. Results of these programs are critical to understanding signal propagation through structures during emergency conditions.

Standards for Training: In FY 2005, the Standards Portfolio supported development of training curricula for emergency responders for specific technologies associated with detectors for weapons of mass destruction. This included coordination of a writing group for ANSI N42 to develop a training standard for radiation detectors used for homeland security applications and a training protocol for use at the DHS Center for Domestic Preparedness (CDP) for prescreening tools for biological agents for suspicious materials. The Standards Portfolio also worked with the ANSI Homeland security Standards panel on a series of workshops to identify homeland security related training standards.

Standards for Urban Search and Rescue Robots: In FY 2005, the Standards portfolio supported NIST to work with the subject-matter expert advisory committee comprised primarily of Federal Emergency

Management Agency (FEMA) Task Force members to define the performance requirements for urban search and rescue robots. A total of three workshops were held at NIST to develop more than 100 requirements categories plus 13 initial robot/deployment classifications. A preliminary statement of requirements document, including draft set of performance tests to introduce into standards process has been distributed to vendors, researchers, and responders. A public forum announcing the program was held at NIST in May. A workshop exposing responders to various candidate robot technologies and allowing them to critique the draft standard tests will be held in August at a rescue training facility. DHS will select the Standards Development Organization (SDO) to host the standards process.

Standards for Geospatial Information Standards (GIS): The GIS Standards Working Group has approved a standard based on FEMA based emergency management symbols – this effort, vetted from the State and local level, will smooth the production and distribution of maps during emergencies.

Standards for Border & Transportation Security: Major accomplishments in FY 2005 include significant progress in standards for multimodal biometrics. Specific deliverables include a standard configuration (i.e., camera rig) for multiple-image face recognition capture, a flexible logical data model (i.e., database schema) for multimodal data collection, a modernized uniform sensor capture application program interface, API, and recommendations for data capture and candidate review user interfaces based on pilot usability studies.

Standards for X-Ray Screening Equipment: In FY 2005, the Standards portfolio initiated the effort to develop technical performance standards for x-ray and gamma-ray inspection devices. The following standards-writing working groups were constituted: (1) checkpoint x-ray screening systems (energies up to 200 keV), (2) Computed Tomography (CT)-based systems (all energies), and (3) cargo/vehicle x- and gamma-ray inspection systems (energies greater than 200 keV). The standard is expected to be designated ANSI N42.40: Standard for Evaluation and Performance of x-ray and gamma-ray Inspection Systems for Detection of Contraband of Concern in Homeland Security.

Standards for Radio Frequency Identification (RFID): Efforts investigating the requirements for RFID standards began in FY 2005, through participation in workshops and seminars, and establishment of the working group.

Standards for Information Analysis and Infrastructure Protection: Two ASTM standards on the life-cycle cost standard practice (ASTM E 917) and the impact summary standard guide (ASTM E 2204) were developed. ASTM E2204 was completed and approved by ASTM and the Building Economics Subcommittee (E06.81). ASTM E 917 will be balloted in August 2005 and is expected to be approved. The Guide for Developing a Cost-Effective Risk Mitigation Plan is currently under preliminary development following conceptual approval by the Building Economics Subcommittee (E06.81).

FY 2006 Plan:

In an effort to keep the Standards Portfolio aligned with its customers and stakeholders, the FY 2006 plans are organized by the four major thrust areas and nineteen corresponding working groups. In addition, plans are reported for the Standards Portfolio's efforts to develop an integrated standards process and infrastructure at the Federal level.

Integrated Standards Process and Infrastructure: FY 2006 plans focus on continuing to maintain and improve the process by which homeland security standards are developed and promulgated at the

Federal level. The Standards Portfolio will support the maintenance and update of the homeland security standards database available to the homeland security community. Support will also be extended to the ANSI Homeland Security Standards Panel (HSSP) effort initiated in FY 2004.

Conformity Assessment: FY 2006 plans emphasize the development of a systematic approach for adding new conformity assessment programs based on homeland security priorities. By FY 2006, Federal, State and local government should be able to rely on DHS conformity assessment for confidence in selected critical equipment, systems and/or personnel credentialing. Additionally, assistance in the development of technical requirements that are suitable for objective conformity assessment and rely on accepted requirements will be stressed.

Standards for CBRNE: In FY 2006, the Standards Portfolio will continue to utilize interagency working groups to reevaluate requirements and prioritize needs for CBRNE countermeasures standards. Work will focus on developing sampling protocols and guidelines and standardized sample triage methods for CBRNE countermeasures. In addition, efforts will be initiated that focus on standards for emerging CBRNE countermeasures technologies including CBRNE point detectors; CBRNE stand off detectors and urban surveillance technologies such as BioWatch, CBRNE facility monitors, bomb disposal robot standards and water distribution monitors. Plans also include the development of standards for radiation dosimetry for emergency preparedness and response. Develop standards and refine testing and evaluation protocols for emerging technologies. Review laboratory and field-testing results for various chemical and biological contaminants on different surfaces and issue a CB agent decontamination consumer guide. Integrated, long range, requirements based plans for the development of standards, test methods and reference materials for chemical, biological and explosive threats will be developed which will in turn be used to focus future standards development efforts. Continue to address emerging technologies in areas such as CBRNE reference materials and simulants, decontamination, forensics, and laboratory response networks

Standards for Emergency Preparedness and Response:
Incident Management Standards: Based on NIC input, the Standards Portfolio has re-prioritized efforts to be supported in FY 2006 for incident management standards. Work will be supported to develop a "clearinghouse" of existing incident management standards that will be used by first responders to demonstrate NIMS compliance. All existing standards applicable to NIMS will be identified, reviewed and classified appropriately. The effort to build this clearinghouse of NIMS standards will be coordinated with efforts underway at ANSI and the Homeland Security Institute to develop a database of existing homeland security standards. Also, working with the NIMS Integration Center, the process of identifying gaps in existing incident management standards and developing a project plan to address those gaps will continue. Work will also continue with ASTM International to finalize the draft standards supported in FY 2005 but the primary focus will be on completing the ASTM standard addressing requirements for State and local emergency operation plans.

Standards for Interoperable Communications: Efforts to develop standards for Interoperable Communications will continue in cooperation with the Office of Interoperability and Compatibility (OIC) and its SAFECOM Program.

Standards for Training: FY 2006 plans include the development of a standard for curricula development for introducing CBRN topics into existing curricula by identifying best practices, bring together a group of educators and trainers currently using the best practices, develop the standard for curricula and course development and begin the process of gaining national acceptance.

Standards for Personal Protective and Operational Equipment: The current plan for the development of CBRNE protective and operational equipment will continue in FY 2006, specifically focusing on completing the suite of respiratory protection equipment standards to include powered air purifying respirators, closed-circuit self contained breathing apparatus, and combination respirators. Specific goals for FY 2006 include completion of the initial suite of CBRN respirator standards, to include closed-circuit SCBA, and combination SCBA/APR standards and completion of CW agent simulant study systems. Equipment guides will be updated and continue to be accessible through the Responder Knowledge Base. Standards and test methods for emerging equipment will be developed and in place to support the commercialization and fielding of new integrated protective equipment ensembles. Standards for thermal imaging devices will continue to be developed. The existing long range plan for the development of personal protective equipment standards will be reviewed, revised and updated, and will leverage against ongoing efforts in other organizations.

Standards for Geospatial Information: Efforts will continue in geospatial standards development as the Geospatial working group focuses on critical gap areas identified in FY 2005. The S&T Directorate will support development of high priority, urgently needed geospatial standards identified by the working group. The GIS WG will work to align its work with the Metadata Center of Excellence, which seeks to implement critical Federal and DHS IT Enterprise Architectures. The group's tasks will include a variety of Data and Metadata standards. This will begin with a phased evaluation of Federal Geographic Data Committee standards for DHS endorsement. The WG will also begin gathering requirements for a DHS Time Standard.

Standards for US&R Robots: In FY 2006 plans include working with the selected standards development organization to produce the first wave of performance tests through a fast track process. Additional workshops will be held in which responders are able to evaluate a variety of robot technologies and comment on them. An initial instrumented test facility will be built to conduct and refine the standard tests.

Standards for Border & Transportation Security:

Standards for Biometrics: FY 2006 plans include the continuation of the programs to address multimodal biometrics, latent fingerprints, rapid biometric evaluations, and biometric image and feature quality. FY 2006 plans also include the exploration and evaluation of ergonomics, human factors, and usability issues of biometric sensors, software, and systems. Focus will also be on recommendations to biometric sensor and software vendors that would allow their hardware or software to be easily integrated and evaluated by the Federal government. Potential areas with a need for standards include: real-time (< five minutes) DNA, non-intrusive DNA, 3D imaging, and personal gait.

Standards for X-ray Screening Equipment: In FY 2006, the Standards Portfolio will continue to support the effort to draft x-ray and gamma-ray security screening standards and to send the draft standards up to the ANSI balloting process and address comments. In addition, the development of testing and evaluation protocols, operator training and long-term quality assurance testing requirements appropriate for x-ray and gamma-ray security screening equipment will begin.

Standards for Radio Frequency Identification (RFID):
Studies into the requirements for the development of standards for RFID devices will be conducted and will help structure future standards development in this area.

Standards for Information Analysis and Infrastructure Protection: The FY 2006 focus is to expand the standards and technical specifications developed in the FY 2005 program to include standards-based reference implementations and, standardized test and evaluation procedures. Partnering with standards organizations, develop economic standards used in decision support methods to protect buildings from blast, fire, progressive collapse and other threats. Develop standardized system test and evaluation procedures for gaseous air cleaning rating methods and in-situ HVAC performance testing for CBR releases in buildings, tunnels, and subways. Identify and develop standardized protocols and architectures for large integrated sensor systems and infrastructure. Develop standardized protocols and architectures for integrating multiple hierarchical dynamic event-driven supervisory control and data acquisition SCADA industrial systems; and expand existing control systems standards and protocols reference implementations. FY 2006 plans for standards for cyber security include continuing the Checklists for Securing Operating Systems and Applications through Standardized Configurations, completing the Forensics for PDA/Handheld Devices program, and continuing the E-Authentication and the Standardized Mechanism for Universal Access Control programs. Under the Checklists effort, continue the development of additional security configurations checklists to secure and harden heavily utilized products and applications, maintain and improve the checklist web repository; solicit participation from additional IT vendors and organizations. Under the Handheld Forensic effort, develop guidelines for the preservation, acquisition, examination, analysis, and reporting of digital evidence contained on cell phones and hybrid PDA/phones. Under the access control program: develop a reference implementation and demonstration of the universal access control mechanism. E-authentication will update NIST Special Publication # 800-63 to initially address several new or refined commercially available e-authentication methods developed in response to Special Publication 800-63 and intended to provide more economical high assurance authentication. Continue to support biometrics standards efforts to introduce biometrics into remote authentication. This will include the demonstrated ability to enforce and combine some of the most prevalent and challenging access control policies of the day.

FY 2007 Plan:
In FY2007, due to higher priorities in other programs and the Management and Administration account, the lower priority programs of this portfolio were reduced. Customer needs and priorities will be balanced against funding levels.

Integrated Standards Process and Infrastructure: The database of available homeland security will be maintained. The process for developing and adopting new standards will be maintained.

Conformity Assessment: FY 2007 plans focus on an improved integration of the processes for technology development, requirements development and conformity assessment, standing up conformity assessment programs in a small but critical group of DHS priority areas and increasing the efficiency and effectiveness of operational programs. User and stakeholder feedback on programs will be collected and analyzed to determine opportunities for continuous improvement.

Standards for CBRNE Countermeasures:
The focus of efforts will continue to be commercially available CBRNE field detection technologies as funding levels will not be available to begin to transition from stand alone field point detectors to

standoff detectors and integrated sensor networks for CBRNE. The program will continue to address the need for standards for CBRNE reference materials and simulants. The portfolio will continue to support the development of interagency guidelines related to long term decontamination after a CBRN event. Overall, the integrated long range program developed in FY 2006 will guide the CBRNE countermeasure standards development efforts in FY 2007. Maximum effort will be made to coordinate and build upon initiatives in other organizations in order to maintain output in the face of diminishing funds. The standards, testing and conformity assessment programs need to be in place to support new technologies that had been developed through S&T Directorate and other Federal programs, yet this may not be possible with funding levels.

Biological Countermeasures: In FY 2007, efforts will continue to develop and refine performance standards and testing and evaluation protocols for commercially available biological detection equipment used in the field by first responders. Testing will include evaluation of detector performance against a small number of high priority biological threats other than *Bacillus anthracis*. Characterization and evaluation of biological simulants and reference materials will continue. The expansion of the effort to standardize sampling methods for biological agents to include scenarios other than visible suspicious powders will be considered. .

Chemical Countermeasures: In FY 2007, efforts will continue to develop performance standards and testing and evaluation protocols for commercially available chemical detectors used by first responder such as the Photo Ionization Detector and Raman spectrophotometer. In addition, the program will possibly seek to develop performance standards and test and evaluation protocols for an additional type of chemical detector entering the market place.

Radiological / Nuclear Countermeasures: Interagency working groups will continue to be utilized to re-evaluate requirements and needs for radiological countermeasures standards. Emphasis will be placed on coordination of all standards efforts with the Domestic Nuclear Detection Office (DNDO). Focus will be on developing standards for radiological countermeasures technologies in areas such as reference materials, quality control of production of reference materials, and simulants.

High Explosive Countermeasures: Efforts will continue to develop and refine accurate testing protocols and appropriate reference materials that are applicable for security personnel to detect trace explosives for scenarios at airports, train stations, subways and other mass transit locations. In addition, this effort may consider developing standards for bomb mitigating equipment and device that could detect and defuse explosives remotely and more effectively whist decreasing potential harm to first responders.

Standards for Emergency Preparedness and Response:

Incident Management Standards: The Standards Portfolio will continue to work with NIC to define standards priorities and to develop a long term plan to address gaps in incident management standards. The effort to develop a "clearinghouse" of existing incident management standards that will be used by first responders to demonstrate NIMS compliance will be completed. A small number of new standards development efforts identified as priorities in FY 2006 will be considered..

Standards for Interoperable Communications: As mentioned in FY2006 plans, efforts in this area will continue in cooperation with the Office of Interoperability and Compatibility and its SAFECOM Program.

FY 2007 Training Standards: In FY 2007 the Standards Portfolio will continue development of training curricula to support technologies for WMD countermeasures. These training standards will map onto performance specification standards developed by ASTM, Institute of Electronic and Electrical Engineers (IEEE), and the Association of Analytical Chemists (AOAC). Standards Portfolio will partner with training centers within DHS to include Center for Domestic Preparedness (CDP), the Fire Administration and the Federal Law Enforcement Training Center (FLETC).

Standards for Personal Protective and Operational Equipment: In FY 2007 CBRN respiratory protection equipment standards development and the certification of CBRN respirators will continue. The primary focus will be on the development of combination supplied air/purified air respirator standards. It is anticipated that by this time additional modifications to the existing standards will be required to more fully address new and emerging requirements, and technological developments in respirators and threats. Certification testing for open and closed circuit self contained breathing apparatus, air purifying and powered air purifying respirators and escape masks will continue. Efforts to develop integrated protection into duty uniforms for emergency responders will continue, recognizing the fact that the responders may not have the time to do more specialized protective clothing, especially during the initial few minutes of an incident. The major challenge faced by the PPOE standards development efforts will be to identify the gaps in standards, and to coordinate and leverage new standards efforts with the concurrent standards initiatives being executed throughout the community.

Standards for Urban Search and Rescue Robots: Robot trials in realistic environments exercising the first set of performance standards will be conducted. The initial draft of the next set (wave) of performance tests to be introduced into the standards process will be developed. Taxonomies for mobile robots and for building collapses will be published.

Standards for Geospatial Information Standards: The WG will continue its evaluation and approval process for GIS, data and metadata standards. Given the highly dynamic nature of data standards, the WG will seek a streamlined balloting process to ensure speedy evaluation and proper scrutiny. A time standard adoption process should be underway.

Standards for Border & Transportation Security:

Standards for Biometrics: Due to changes in funding delivery, the new biometric standards activities (Standards for Latent Fingerprints, Standards for Rapid Evaluation, and Standards for Image and Feature Quality) will be initiated in FY 2006. Therefore, the FY 2007 plan would be the continuation of the programs to address multimodal biometrics, latent fingerprints, rapid biometric evaluations, and biometric image and feature quality.

Standards for X-ray Screening Equipment: By early FY 2007, X-ray standards program will strive to achieve the full adoption of the ANSI x- and gamma-ray technical performance standards for security screening equipment. In addition, emphasis will be placed on completion of follow-on T&E protocols, long-term quality control testing, and operator training requirements to assure technical performance of x-ray security screening equipment.

Standards for Radio Frequency Identification (RFID): Requirements and the program developed in FY 2006 will guide the development of RFID standards if funding is available. The major challenge will be to integrate activities with the numerous competing requirements and established programs

Standards for Information Analysis and Infrastructure Protection: The FY 2007 focus is to continue the standards and technical specifications developed in the FY 2006 program to include standards-based reference implementations and, standardized test and evaluation procedures. Partnering with standards organizations, develop economic standards, focused reference implementations, and training modules for selected application areas related to performance-based building codes and standards for buildings from blast, fire, progressive collapse and other threats. Develop standardized system test and evaluation standard and procedures for gaseous air cleaning rating methods and in-situ HVAC performance testing for CBR releases in buildings, tunnels, and subways. Identify and develop standardized protocols and architectures for large integrated sensor systems and infrastructure. Develop standardized protocols and architectures for integrating multiple hierarchical dynamic event-driven SCADA and industrial control systems; and expand existing control systems standards and protocols reference implementations. FY 2007 plans for standards for cyber security will be evaluated and may include continuing the Checklists for Securing Operating Systems and Applications through Standardized Configurations, merging the E-Authentication program with another authentication program (PDA authentication) to develop guidance on the strength and effectiveness of authentication methods in general. In addition efforts will be under taken to transfer and publicize the Standard Access Control Mechanism to include performing public and commercial demonstration of this new technology, and working with standards organization in the adoption of this security mechanism.

PPA: SUPPORT TO DHS COMPONENTS

	Perm Pos.	Work Years	Amount
2005 Actual	-	-	**$52,141**
2006 Revised Enacted	-	-	**79,200**
2007 Adjustments to Base	-	-	9,422
2007 Current Services	-	-	**88,622**
2007 Program Change	-	-	-
2007 Request	-	-	**88,622**
Total Change 2006-2007	-	-	9,422

Science and Technology Directorate requests $88.6 million for this activity. This is an increase of $9.4 million over FY 2006.

Border and Transportation

CURRENT SERVICES PROGRAM DESCRIPTION: The Border and Transportation (B&T) Portfolio develops and transitions capabilities that improve the security of our nation's borders and transportation systems without impeding the flow of commerce and travel. The Portfolio's Border and Transportation Science and Technology Plan and Roadmap represents the combined work of the S&T Directorate and Border and Transportation agencies to identify new capabilities needed and to plan how the Department will make technology investments in support of B&T mission objectives. The B&T portfolio focuses on these major programs:

Border Watch: Border Watch combines sensors, processes and people to provide real-time situational awareness of our borders. This system-of-systems will give us the ability to monitor the status of every mile of our national borders and enable detection of an approaching threat. Border Watch will monitor three specific physical domains – land, maritime and air. Its concept involves developing an advanced suite of sensors and sensor platforms, integrating the data from those sensors, and adding intelligence and other pertinent information from outside sources. This integrated system will provide local commanders with shared situational awareness, common alerts and warnings, and robust tools to help them develop a course of action to meet a threat.

Transportation Watch: Securing the domestic transportation system will significantly decrease our nation's vulnerability to terrorist attack. Transportation Watch is similar to Border Watch, but focuses specifically on five transportation domains – aviation, rail, ship, highways and pipelines. Transportation Watch will provide a similar situational awareness as that of Border Watch but for a much more diverse set of potential targets. In the aviation domain, Transportation Watch will leverage technology developed under Border Watch to improve capabilities to identify potential items or parties of interest and enhance our ability to screen passengers, luggage and cargo. As this capability matures it will be transferred to the rail and ship domains. As in Border Watch, establishing a network of sensor and surveillance capabilities will be a large component of Transportation Watch. This surveillance capability will integrate the significant existing capability within the transportation infrastructure and develop new capabilities to fill gaps. Transportation Watch will provide the ability to fuse information available from current and new systems to provide a National Transportation Intelligence and Scene Awareness System that can be used by security officials to monitor the safety and security of the entire transportation system.

Cargo Security: DHS is developing a clearly defined Cargo Security Strategy, architecture and policy framework. Our overarching goal is to balance regulations and incentive-based programs to raise the overall security of containers in a way that not only avoids impeding but actually facilitates the flow of commerce. Out approach leverages existing efforts while defining a strategic prioritization of resources and R&D efforts. The S&T Directorate has taken the lead in developing technology solutions with clear requirements, performance criteria, test and evaluation, and transition paths that will support the Department's proposed Cargo Security Strategy. We are developing the next generation of containers—these insure their own integrity, enable communications with shippers and authorities, can record data and their history, and even sense their environment and status. We are providing advanced technology tools for data mining, knowledge discovery, analysis and anomaly detection to the Automated Commercial Environment (ACE) program and the National Targeting Center (NTC). We will integrate a system of advanced integrated non-intrusive detection devices into an overall port sensor and information system that includes automated alert and detection functions.

FY 2005 Accomplishments:

Strategic Planning and Requirements: In FY05, we conducted three aviation security workshops. The information developed and judgments expressed there, taken in conjunction with the results of demonstrations and evaluations, form the basis for developing and refining the technology investments that are key elements of the B&T S&T Strategic Plan.

Border Watch: We are developing a suite of complementary sensors for the Customs and Border Protection border systems of the future. The FY 2005 effort focused on performing sensor trades, modeling and evaluation to identify the most promising sensor technologies for investment.

The B&T Portfolio is testing technology which enables rapid deployment of consent-based data sharing networks. The B&T portfolio has defined the concept and architecture for access and query across applicable Border and Transportation agencies, Department of Justice (DOJ), commercial and USCG databases.

We are addressing the overall border systems architecture through our systems-of-systems engineering effort which will evaluate various domains, including technology, managerial, policy, organizational, political and contextual, for the purposes of modeling their impact on border security. The FY 2005 efforts focused on the Tucson Sector and included: 1) current border security system of systems modeling, 2) identification and analysis of systemic border security barriers and enablers, 3) stakeholder perspectives mapping and analysis, and 4) border security initiatives mapping.

Transportation Watch: The overarching goal is to develop systems that will detect all threats to our transportation systems. In FY 2005, the B&T portfolio, along with other portfolios, jointly invested in a program relating to integrating automated visual recognition capabilities with existing camera systems. The B&T portfolio also supported Federal Air Marshal (FAM) programs including the Air-to-Ground Communications System.

Cargo Security Program: In FY 2005, the B&T portfolio awarded six Advanced Container Security Device (ACSD) contracts to develop and test the efficacy of a container's six-sided intrusion detection. It is expected that design of each ACSD device will be completed in FY 2005. The B&T portfolio is also developing a communications and tracking device to be integrated with the ACSD. Three small business innovative research (SBIR) contracts were awarded in FY05.

As part of developing next generation cargo container technologies, the B&T portfolio awarded five contracts that seek to design a pallets and cartons to automatically detect tampering. Automatic detection is accomplished by integrating sensors into the actual carton.

In collaboration with DHS Policy, the B&T portfolio developed a broad supply chain security framework, the Supply Chain Security Architecture (SCSA) that gives DHS the capability to bridge data and information between container security devices, shoppers, and the National Targeting Center (NTC). This capability will also allow DHS to have a seamless introduction of current and future cargo and container security capabilities into the supply chain. The SCSA underpins DHS's Secure Freight Initiative, highlighted as a critical component resulting from the Secretary's Second Stage Review.

FY 2006 Plan:

Strategic Planning and Requirements: The B&T portfolio will continue the strategic planning process and continue developing and refining B&T technology requirements.

Border Watch: Advanced sensor suites will include improved sensors for an open border detection network or grid that will provide persistent surveillance, of the vast areas between the Port of Entries (POEs). Integrating and fusing the data from these systems will further enhance this new border surveillance capability. Cutting edge information technology will provide a synergistic picture of the border environment. To augment surveillance information with targeting and intelligence information, Border Watch will take advantage of robust connectivity to the rest of the DHS enterprise. Integration of all these domains will provide a common operational picture: the ability to share the same picture of the border with everyone who needs it.

Border Watch will provide robust and easy to use tools for the border security officers to use in making decisions on how to react to border situations. Modern decision support tools that provide automated evaluation of proposed actions through expert systems and modeling and simulation will be exploited. Operational planning tools and improved case management systems with the ability to help manage the apprehension, detention, seizure and removal of suspects and items will be incorporated in Border Watch. The result will be enhanced information upon which local and regional commanders can react to threats and illegal activity in their area.

The FY 2006 effort will build on the sensor trade studies and modeling conducted in FY 2005 to develop and test advanced sensor suites including improved visual and non-visual sensors (video, infrared, seismic, acoustic and radar). These sensors may be deployed on the ground, at sea, and in the air. In addition, data produced by Port of Entry (POE) inspectors, such as traffic and incident information, along with data produced by border inspection systems will be evaluated as part of the surveillance system.

Our efforts to develop a robust and easy-to-use tool for tactical border security operations will result in officer access to an unprecedented amount of available information in a timely manner. This information, piped through the DHS enterprise, will be an important enabler for regional generation and, ultimately, a national COP for DHS. The "pipe" to transmit this information will be scalable and flexible to changes in the future security environment. It will also be designed with an eye toward regularly enhancing technology and capability without significant recapitalization.

In FY 2006 we will demonstrate the capability to develop a robust and easy-to-use for the border security office. This demonstration will aid our development of a comprehensive system architecture and common operating environment for Border and Transportation Information. The objective in FY 2006 is to define a system architecture that fully supports the Border Watch COP with multi-modal access to essential databases, remote communications and intelligence fusion.

In FY 2006, the B&T portfolio will support the Secure Border Initiative (SBI) and America's Shield Initiative (ASI) through our systems of systems engineering (SOSE) efforts. The SOSE effort looks at various domains, such as technology, managerial, policy, organizational, political and contextual as they impact the system of systems for border security. The FY 2006 effort will focus on the longer term contributions of the SOSE effort including:

1) Decision Modeling and Impact Analysis: Long range capability for engaging in rigorous analysis of proposed modifications to the security system. Through modeling, the consequences of modification decisions can be assessed for their impact prior to making decisions and committing scarce resources.
2) Border System Transformation Support: SOSE provides support for systemic transformation of border security. The basis of SOSE transformation is an integrated strategy that cuts across multiple domains. The strategy must pursue objectives that enhance the state of system capabilities. Based on the model, the impact of system modifications can be examined.
3) Strategic Border System Management Support: The management of border security can be enhanced at the strategic level by having an SOSE model to support strategic analysis, decision, and action and transformation assessment. Proactive strategic management of the Border Security System is supported by tools that facilitate detailed analysis of proposed initiatives, determination of the impact of initiatives on system capabilities, system priorities establishment, and anticipated return for investment of scarce resources.

Transportation Watch: Transportation Watch capabilities will be integrated across the transportation domains enabling a Common Operational Picture (COP) across the entire transportation environment. Extensive data sharing, including the ability to discover links in criminal or suspicious activities across domains will be a key requirement to providing an effective Transportation COP.

In FY 2006, as part of the Department's R&D Consolidation effort, the Transportation Security Laboratory became part of the S&T Directorate. The FY 2006 portfolio will assess and integrate the existing Transportation Security Laboratory (TSL) projects into our existing transportation strategies. Our primary efforts will focus on developing and testing autonomous inspection and surveillance technologies that are applicable to such critical elements of the transportation system as ferries and railroads.

Cargo Security: FY 2006 effort will build on the design and development effort accomplished in FY 2005 on the next generation of container security and communications systems to detect intrusion, location, contents and tampering. The requirements for this system include recording and reporting location; detection of intrusion and communication of log history, and sensor and inspection data. The system must have very low false alert rate and an open architecture to readily accept enhancements as technologies mature. Container security work will also include development and integration of data and information networks and predictive targeting technologies. The ultimate objective of the container security effort is to provide a full and near-real-time status of containers entering the United States.

In FY 2006, two companies have been awarded contracts to continue Phase II of this program. Phase II is an 18-month development that completes the final designs and produces prototypes for insertion into an integrated test and evaluation program. The integration of Advanced Container Security Device (ACSD) and the companion Marine Asset Tagging and Tracking System (MATTS), a remote global communications and tracking system will result in a performance specification, made available to the industry at large, for private development of ACSD-like systems. Similarly, the MATTS specification will be made available to the industry for the same purpose.

FY 2007 Plan:
Strategic Planning and Requirements: The B&T portfolio will continue the strategic planning process and continue developing/refining Border and Transportation technology requirements.

Border Watch: The advanced sensor suites will include studies on how improved sensors can be integrated into an open border detection network or grid. With performance measures in evaluating persistent surveillance, both covert and discrete, this will include the vast areas between the Port of Entries (POEs) as well as some efforts at the POEs.

We will continue to develop and refine integrating and fusing the data from various data inputs that will further enhance a new border surveillance capability. Cutting edge information technology will provide a synergistic picture of the border environment. To augment surveillance information with targeting and intelligence information, Border Watch will take advantage of robust connectivity to the rest of the DHS enterprise. Integration of all these domains will provide a common operational picture (COP); the ability to share the same picture of the border with everyone who needs it.

The FY 2007 effort will continue spiral development of an interoperable robust information management network. Building upon the FY 2006 field demonstration of the Field Officer's Digital Assistant, another "build" will provide additional communications and data base access capability.

The FY 2007 effort will build upon the now defined, comprehensive system architecture and common operating environment. The Common Operating Picture, providing a shared tactical situational awareness, will begin initial integration and testing with the sensor detection and communications efforts.

Transportation Watch: Transportation Watch capabilities will be developed and we plan to begin integrating across the transportation domains enabling a Common Operational Picture (COP) across the entire transportation environment. Extensive data sharing, including the ability to discover links in criminal or suspicious activities across domains will be a key requirement to providing an effective Transportation COP.

Cargo Security: FY2007 effort will build upon the FY2005 design and development of next generation container security and communications to detect intrusion; and the FY 2006 efforts of testing these devices. The FY 2007 effort will be integrating the container security devices and communications. We also plan to field test the devices on a large scale to determine the equipment's efficacy of operating in a realistic environment, its scalability, etc. Another part of the test effort will include looking at potential rail and truck applications.

EMERGENCY PREPAREDNESS AND RESPONSE

CURRENT SERVICES PROGRAM DESCRIPTION: The S&T Directorate's Preparedness and Response (P&R) portfolio supports the Department's Preparedness Directorate and FEMA, whose mission is to improve the ability of the nation to prepare for, respond to, and recover from catastrophic emergencies both natural and man-made (all hazards) through development and deployment of enabling capabilities. Emphasis is placed on preparedness for and response to large-scale complex events, especially those involving terrorism. Research thrust areas include incident management, decision support, response and recovery, and technology integration.

Our most important customers are State and local emergency responders, emergency managers, and the public they serve. The emergency response community consists of more than 49,000 separate agencies spread throughout the country. This community's members operate with varied sizes, structures, capabilities and constraints. Of approximately 18,000 law enforcement agencies, the overwhelming majority have 24 or fewer sworn officers. Over 85% of our nation's firefighters are volunteers. Enhancing the capabilities of such a vast and diverse community, especially against terrorist threats, requires a rigorous and systematic approach to the development and transition of a broad range of technology solutions. The EPR portfolio is dedicated to applying the best available science and technology for the safety and security of our emergency responders and homeland security professionals so that they can effectively and efficiently perform their jobs – saving lives and restoring critical services.

Specific objectives of the portfolio are to:

- identify and develop relevant homeland security technology solutions through partnerships with Federal, State, local and tribal operational end-users;

- integrate interoperable and compatible all-hazards technologies into Federal, State, and local emergency response infrastructures; and
- provide the science and technology leadership for implementation of HSPD-5 and HSPD-8.

FY 2005 Accomplishments:

Unified Incident Command and Decision Support (UICDS): A national RDT&E program to develop an advanced incident management system based on the operating principles of the NIMS and the National Response Plan (NRP) was initiated in FY 2005. UICDS develops the necessary capabilities for effective implementation of HSPD-5 (section 15). Saving lives and minimizing damage in the wake of an attack or major disaster depend not only on interoperable communications, but on immediately having the correct, relevant, and complete information necessary to take action. In the aftermath of a major event, responders from all jurisdictions and agencies must fall in smoothly with an extended information and response network that includes data, information, scene awareness, response guides, actions plans, decision support and collaboration tools. This capability must be delivered using the myriad array of communication and information devices and infrastructure that are immediately available. Fortunately, modern IP-based service oriented architectures may make it possible to accomplish this, even with legacy technologies. UICDS is dedicated to achieving this capability. UICDS systems are based on the concept of a highly interconnected and integrated and scalable architecture that will meet the needs of the entire emergency responder community and allow for integration, when needed, between local, State, and Federal information management, situation awareness and command, control, computers, communications, intelligence, surveillance, reconnaissance (C^4ISR) systems. This framework will integrate with existing commercial-off-the-shelf (COTS)-based information management systems and legacy information and communication systems. The system architecture, developed initially according to Department of Defense Arichitectural Framework (DoDAF) guidelines, will be reviewed with the end-user community as part of the Phase I work and will be adapted to comply with the Public Safety Architecture Framework (PSAF) to be released shortly by SAFECOM. Following the initial phase of the program, subsequent phases of the program will seek to develop systems, components and interfaces that make it possible for communities to implement systems in keeping with that architecture. The focus of subsequent phases will be to deploy pilots of the accepted UICDS architecture at RTI (see below) locations to demonstrate system capabilities. UICDS systems will be the accepted standard for incident management systems for all Federal, State, local, and tribal jurisdictions and will be incorporated into DHS grant guidance.

The Regional Technology Integration (RTI) Program: The RTI Program completed the integrated community-based vulnerability assessments in four pilot locations in FY05. Technology system solutions have been initiated based on prioritized needs from these assessments. Systems solutions include the design and installation of enhanced chemical detection systems combined with a biological protection system for internal space monitoring and demonstrations of advanced portal system technologies for explosives detection at important venues that may be terrorist targets. These systems include facility hardening, detection, emergency management information systems, atmospheric transport and dispersion modeling, and emergency response protocols. Installed systems will be fully aligned with guidance from the Office of Interoperability and Compatibility (OIC) to ensure they are interoperable and compatible with legacy emergency response infrastructure. Emphasis will be placed on improving situational awareness and survivable communications for large-scale events. In some of the pilot urban areas, technology implementation will focus on improving preparedness and response

planning capability and tools to support risk-based technology selection that includes factors such as baseline emergency response infrastructure and local or regional operations.

Interagency Modeling and Atmospheric Analysis Center (IMAAC): The IMAAC Program has two components:

- Provide S&T development for the implementation of IMAAC and operational support for real world events and National Security Special Event (NSSE) including infrastructure and subject matter expertise.
- Provide the RDT&E required to enhance atmospheric transport and dispersion predictions, especially in urban environments, to support hazard assessments for homeland security.

In the event of a major disaster or terrorist attack (e.g., biological, chemical, radiation dispersion) the ability to accurately predict the movement and spread of the contaminate cloud is crucial to saving lives and making response decisions. IMAAC integrates the nation's best modeling capabilities to provide that information.

IMAAC achieved full operational status in FY05. IMAAC capabilities were successfully integrated into the National Exercise Program. IMAAC supported TOPOFF3 and the related Large Scale Game and Senior Official Exercises in FY05. IMAAC maintained an operational 24/7-response capability and provided support to several National Special Security Events including the G8 Conference, the Republican and Democratic National Conventions, the Presidential Inauguration, and the State of the Union Address. A study is underway to define a process for accreditation of models for given scenarios and IMAAC is currently working with NOAA and EPA to incorporate IMAAC training into ongoing training sponsored by these two agencies. During 2005 IMAAC supported the Queen City Barrel fire in Cincinnati, Ohio. While this was not an incident of national significance, it was nonetheless a large-scale incident. IMAAC products and technical reach-back support to incident commanders in the field resulted in improved shelter-in-place recommendations during the fire and for the period immediately after. This information was critical to decision makers scheduling school and business closures as well as providing fire response teams improved, on-going information on the extent of hazardous chemical levels throughout the incident.

Simulation Based Training, Exercise, & Lessons Learned (TELL): The Training Exercise and Lessons Learned (TE&LL) program is an effort to support continuous improvement of our nation's preparedness to respond to catastrophic events as called for in HSPD-8[1] (sections 17-19). Our national effectiveness in an emergency will be dependent on how well we train and exercise. Without the ability to conduct training and practice beforehand on simulated major events, our responses, despite individual bravery and dedication, stands the real risk of being confused and slow. America's military has learned this lesson well, and is the key to its success. The homeland security challenge is to implement an effective and affordable training and exercise capability to a large number of response agencies that are geographically distant and have diverse operating systems.

The future capability will allow for responders to exercise against simulated catastrophic events that they cannot emulate with current training mechanisms. Ultimately, it will incorporate training objectives, scenarios, and metrics defined by other programs to create a simulation-based training exercise capability that can be used by the response community to improve and maintain preparedness

1 http://www.whitehouse.gov/news/releases/2003/12/20031217-6.html

to evolving threats. A conceptual design and exploration effort was kicked off in FY 2005. This effort will establish the functional requirements and constraints for the cost-effective application of simulation based technologies in training exercises for multi-agency, multi-jurisdictional events that can be used to assess and improve response preparedness of individuals and teams responding to an event. A detailed survey of existing training based simulation technologies has identified numerous maturing systems that could provide immediate capability for this effort. Initial architectural specifications were developed and will be used to validate the training requirements through highly functional prototypical mock-ups. These prototypes will demonstrate how incident management professionals' will be able to maintain their proficiency through the utilization of immersion based simulation technologies that create a realistic environment capable of challenging decision making skills and accurately representing the consequences of decisions made by responders. The results of this work will be ready to transition to full-scale pilot demonstrations in FY 2006.

Response & Recovery: Research, development, test and evaluation (RST&E) to support rapid and effective response and recovery range from personal protective equipment (PPE) for emergency responders to field assessment and tracking of casualties (especially in a mass casualty WMD event) and potential decontamination of individuals, equipment and critical infrastructures. This broad range of capability needs requires both tactical and strategic research investments. The portfolio implemented a national research program to address scientific concerns and challenges relevant to the development of innovative materials for PPE. The core thrust of this program seeks to develop one or more fundamental new material concepts that can be integrated into material systems and garments. This research is aimed at producing garments that can sustain everyday use suitable for law enforcement and emergency medical technician (EMT) personnel and able to be fabricated into patterned garment parts available for commercial manufacturing techniques.

The EPR portfolio and the Rapid Technology Application Program worked in partnership to identify other near term research activities, including: (1) A prototype resource awareness portal that enables multiple jurisdictions to share data about the disposition and availability of resources, supporting and extending many of their mutual-aid agreements. (2) An advanced set of breaching techniques for reaching victims trapped in collapsed structures. (3) An advanced 3D locator that will work outside of and within structures and will support the accountability functions required for effective response personnel management and safety.

FY 2006 Plan:

Unified Incident Command & Decision Support (UICDS): The goals of the UICDS RDT&E program are to:

- Dramatically enhance the information management and information sharing capabilities of incident commanders and emergency responders, as emergencies increasingly demand more highly coordinated responses.
- Improve the response quality, and overall interaction among Federal, State, and local incident commanders and emergency responders.
- Integrate with COTS-based information management systems and existing legacy systems.

In FY 2006, the portfolio will initiate an Advanced Concept Technology Demonstration of candidate UIC architectures that will achieve revolutionary advances in Unified Incident Command and Decision

Support and bring analytical tools to bear on real-time information in-flows and out-flows for incident commanders and emergency responders. Advanced capability will be applicable to a variety of response paradigms, including single incidents, multiple simultaneous incidents, long duration response and recovery operations, and large-scale public health events. Newly deployed technologies will take existing research and capability in other Federal agencies (e.g., DoD, NASA, U. S. Wildland Fire Service) and adapt them to operating environments of emergency responders. These systems will be capable of multimedia and multi-model communication, information sharing both horizontally and vertically, and comprehensive information management (e.g., continuously updating the situational status of personnel, equipment, and other resources), providing for the integrity of information, and incorporating modeling and simulation tools to facilitate response operations, understand hazards, and provide for a common operating picture. The ACTD approach for the FY06 program will provide for the timely development of the first spiral of a demonstrable UICDS system that will be deployed for a targeted set of responder community users. Result of exercising this prototype will provide critical midcourse corrections for the next UICDS spiral and will yield a more refined UICDS framework.

The Regional Technology Integration (RTI) Program: In FY 2006, the portfolio will complete implementation of technology systems solutions for the first four pilot locations, prepare test and evaluation plans and conduct operational readiness exercises to evaluate the overall system performance. Each of the four pilot locations will provide different opportunities for technology implementation based on their existing capability to absorb new homeland security technology systems, risk based prioritization of capability needs and, finally, the ability to provide an enduring new capability for the pilot location. The goals of this phase of the RTIP are:

- Enhance situational awareness capabilities
- Create a model process and system design template that can be replicated at similar regions nation-wide
- Create an infrastructure that can be utilized for test and evaluation of other emerging DHS technology systems (e.g., UICDS, TELL)
- Evaluate system performance and life cycle issues
- Identify capability/technology gaps for future RDT&E

Examples of technology solutions to be implemented range from target facility-based detection systems for chemical, biological, and high explosives that are integrated with existing local and regional emergency operation and watch centers to the implementation of planning tools that are easily configurable by a local community and can be used to evaluate the implementation of various homeland security technology systems. For example The RTIP-Anaheim Convention Center Program will design, install, and integrate a detection system for the Anaheim Convention Center that will provide an early warning system to allow response management through the existing Emergency Virtual Operations Center (EVOC).

The system will provide detection capabilities in the event of a chemical agent or large-scale biological attack in the Convention Center. Chemical agent and biological detectors will be co-located with existing video surveillance equipment both internal and external to the facility. Activation will be electronically reported to the convention center watch desk and the Anaheim EVOC. The internal monitoring system will be invisible to the patrons and the communication infrastructure will be compatible with other Weapons of Mass Destruction (WMD) detectors that may be deployed in the future.

The system will also provide explosives detection capabilities that will safely isolate the potential explosive device and mitigate any significant damage to personnel or facilities. This system will establish an optimum process to check people, packages, containers, and vehicles entering the Convention Center for explosives or explosive devices while minimizing or not interfering with the normal flow of events at the Anaheim Convention Center. Explosives detection capabilities include, but are not limited to: (1) detection of explosives carried by people entering through portals and checkpoints, (2) detection of concealed explosive or weapons through surveillance, (3) inspection of delivery and service vehicles via checkpoint, and (4) preparation to respond to the detection of explosives with training and mitigation technologies.

In FY06, the RTIP will work with the Office of Grants and Training to streamline the RTIP assessment process for broader applicability to other high threat urban areas. This will enable more effective utilization of grant funding as well as provide a more effective transition path for new homeland security technologies.

Interagency Modeling and Atmospheric Assessment Center (IMAAC): In 2006 IMAAC will host researchers from throughout the nation at its facility as well as participate in virtual collaboration both nationally and internationally. Through this collaboration IMAAC will begin the process of developing agreement on atmospheric hazard communication protocols and products compatible with the Homeland Security Information Network (HSIN) the web-based information distribution system of the Homeland Security Operations Center (HSOC). The HSIN is the communications backbone selected to coordinate incident information across Federal agencies and vertically with State and local authorities. It may also be used to share information with international partners during incidents that occur near borders or in areas of interest. A protocol for distribution of IMAAC products across HSIN and agreement on standards for products to insure product consistency by all agencies will be a significant improvement to the existing IMAAC product distribution system.

To use these products and new techniques in atmospheric modeling more effectively IMAAC will define a reach back modeling capability for State and local governments. Drawing on the experience of the Local Integration of NARAC Capabilities (LINC), IMAAC will work with State and local users to define a tiered level of support that insures a NIMS compliant process to handle escalating incidents. IMAAC researchers will seek to improve ATD modeling systems to routinely quantify uncertainties, improve spatial and temporal scale interactions, and incorporate new measurement technologies to better characterize the urban environment. Existing data such as NEXRAD will be investigated as an additional meteorological measurement to improve ATD model predictions. Furthermore, NEXRAD data will be investigated as an operational data feed that could be provided to all Federal, State and local agencies. The provision of improved, consistent, and reliable data across all agencies reduces model variability and improves consistent model predictions.

With the provision of improved data it is also important to verify and validate the result. During 06 IMAAC will define a verification and validation process for accreditation of models. Verification and validation documents the consistency, reliability, and accuracy of model predictions for specific applications. Understanding these characteristics will permit the IMAAC agencies to accredit models for various threat scenarios. IMAAC will begin to incorporate the results of field experiments such as the Urban Dispersion Modeling (UDM) program in New York City and the Joint Urban 2004 Experiment to improve hazard predictions for urban meteorological environments. This multi-year research effort is focused on understanding the transport of hazardous airborne material at the top of

the urban canopy as well as through urban canyons. The results of this research will improve existing urban dispersion models and provide insight for future investigations. The portfolio will also initiate research and development in support of other modeling and assessment requirements including other transport mediums, such as water. A workshop is currently planned for Spring 2006 to begin discussion on water dispersion to define gaps in critical areas.

Simulation Based Training, Exercise & Lessons Learned (TE&LL): Using the functional requirements generated in FY 2005 and existing simulation technology, the portfolio will develop and demonstrate a working prototype that can be utilized for the conduct of a large scale exercise involving multiple jurisdictions for specific homeland security scenarios involving WMD. TE&LL will enable the following capabilities:

- Ability to assess and track current national state of readiness
- Ability to create training exercises based upon emerging threats and the current capabilities of individual response elements
- Capture capability improvements and lessons learned
- Create metrics and processes for measuring response-element proficiency.
- Link future allocation of manpower, equipment, and training to the national preparedness goal
- Allow responders and decision makers, at the local, State, and Federal levels to affordably train together to ensure that the holistic response-system meets the necessary readiness state

Initial demonstrations will focus on large scale, multi-jurisdictional incidents and facilitate implementation of the National Incident Management System and the National Preparedness Goal. Simulation-based systems will place users in realistic environments and in interactive situations and must support all elements of the NIMS including critical decision making, interagency operations, and all functions of the Incident Command System. Applications will provide for the evaluation and enhancement of incident management skills, and will be capable of creating and replaying case studies to capture lessons learned and facilitate corrective actions. This is akin to the notion of "train as you fly, fly as you train" as applied to the responder community. The vision is that as a result of having gone through simulation based training; the responders will be quite ready to tackle complex incidents much better and more efficiently. The deployment concept will maximize the ability to access affordable technologies at all levels of government. The focus of the FY06 activities will be to develop prototypes of a training system, including mockups, in order to exercise key functional requirements and to validate important capabilities that will form the core of the training system for the incident responder/commander community. A key element of this activity is to integrate reusable existing tools and models to accelerate the development of the training system.

Response & Recovery: The portfolio will demonstrate several revolutionary and highly innovative materials for emergency personal protective equipment (PPE) applications. Prototype material/technologies that can that can be made into functional garments and/or integrated personal protective systems will be demonstrated. Material solution(s) will allow for integrated functions and capabilities to the greatest extent possible and provide modular, mission essential capabilities to be used by as many disciplines and in as many applications as possible. The goal is to have materials that can provide protection during response to chemical, biological, radiological, and explosive (CBRNE) events will have properties such as self-decontamination for chemical and/or biological agents,

localized protection for complex organs, increased service life, self-healing upon being compromised (e.g., ripped, torn), and flame resistance.

In cooperation with the Rapid Prototype Portfolio, Small Business Research Initiative, other Federal agencies and the private sector, new systems for three-dimensional location of responders and victims will be demonstrated. Such systems will accurately and in real time determine the location and identify of a rescuer in a structure and have the ability to track personnel over distances and through materials such as concrete and steel. Extensions of this technology could include two way communications, health and biometric monitoring and visualization. In FY06 the portfolio will kick off a new initiative focused on emergency medical response for mass casualty events, particularly those involving WMD. The portfolio will leverage the community preparedness work previously funded through the Radiological and Nuclear Countermeasures Portfolio to form a basis for developing user requirements and responder's guides.

FY 2007 Plan:

Unified Incident Command and Decision Support: Critical to the successful implementation of the National Incident Management System (NIMS) protocols is the ability to share information and communicate across all levels of command during an emergency. UICDS enables a common operating picture for resource deployment and response coordination. The inability to identify and share actionable information among multiple response agencies and across jurisdictions results in either ineffective or duplicative efforts when time is of the essence. This is critical to the safety of first responders and civilians. The portfolio will continue to fund R&D to dramatically enhance the information management and information sharing capabilities of incident commanders and emergency managers at all levels of government, thus enhancing multi-hazard incident management. The portfolio will continue to emphasize the application of OIC guidance to ensure the development and implementation of interoperable, non-proprietary, scalable, and open architectures that will integrate with COTS-based information management systems and existing legacy systems. A set of system prototypes will be tested based on the standardized concept of operations and architectures developed in the first phase of this program. Pilot implementations of the architecture will be initiated with selected RTI urban areas. The UICDS will develop a certification process to be used by the various jurisdictions when applying for DHS grants to procure incident management capabilities.

The Regional Technology Integration (RTI) Program: The RTI program provides the basis for improved preparedness, mitigation, and response by regional authorities, including cities and counties that will result in lives saved and greater effectiveness of disaster management resources. This program is a fundamental transition path for technologies that will help regional authorities across the Nation counter emerging threats. The RTI program will continue the test and evaluation of a specified suite of technologies deployed in the four pilot locations. Table top and field exercises will be conducted to evaluate the effectiveness of the systems in terms of system performance, interoperability and compatibility. In FY07 the RTI program will continue to work with the Office of Grants and Training to broadly apply the RTI assessment process, lessons learned, and best practices to high threat urban areas nationwide. The application of the RTI program to other urban areas will assure more effective and efficient utilization of grant funds as well as facilitate the deployment of new homeland security technologies. The RTI program will provide the transition venue for other EPR technology systems such as UICDS and TELL which will continue to enhance and sustain regional response networks. The RTI program will collaborate with the Office for Interoperability and Compatibility, the Chemical, Biological, Countermeasures Portfolios, the Domestic Nuclear Detection Office (DNDO), FEMA and

the Preparedness Directorate for the purpose of piloting advanced concepts for regional emergency response technologies and providing technology assistance in support of local and private sector entities that share common regional emergency preparedness and response issues, including CBRNE incident response.

Interagency Modeling and Atmospheric Analysis Center (IMAAC): Response operations involving atmospheric hazards have often been hampered by inaccurate and conflicting hazard predictions. The IMAAC has resulted in a more effective, timely, and organized response to disasters by providing consistent hazard predictions across all response agencies. This means saving the lives of both civilian and first response personnel and restoring public confidence through the elimination of confusing and conflicting model predictions. IMAAC will continue to provide support to response operations, planning and exercises in support of the National Response Plan and the National Preparedness Goal. IMAAC will institute a suite of scientifically accredited models to be used for atmospheric hazard predictions. Reach back support capability will be provided in accordance with requirements developed through collaboration with end users, including State and local governments, FEMA, and other DHS components.

Simulation Based Training, Exercises, & Lessons Learned (TELL): Effective training and practice reduce injury to first responders and increase response efficiency. There is a need to include all possible members of the response community in the planning process, especially for large-scale events. The ability to cooperate across multiple entities and agencies will be critical for mass-casualty events that will quickly overwhelm local responder and trauma capabilities. The National Fallen Firefighters Foundation has identified the effective integration of simulation into training as a high priority issue. The EPR Portfolio will continue our national RDT&E program by teaming industry, academia and the national labs to complete development of system requirements that support national, interoperable simulation based training and exercise. In FY 2007, advanced concept demonstrations will include the capability to simulate large-scale emergency response operations that require nation-wide deployment of resources from Federal, State and local response organizations. The simulation platform will be compatible with the Unified Incident Command Decision Support architecture allowing response organizations to practice using their existing tools and capabilities on high consequence, low frequency CBRNE event simulations. Out-year efforts include enhancements, in support of the National Preparedness Goal, to assess and track current national state of readiness, provide training and exercise opportunities based upon existing and emerging threats, and provide a process for measuring response-element proficiency. Additionally, the out year goals will include integration with other existing infrastructure elements, e.g. Intelligent Transportation System, route planning, evacuation procedure planning and development, so that the responder community can exercise in an integrated response environment.

Response & Recovery: Personal protective equipment (PPE) was identified as the top National Terrorism Response Objective in the Memorial Institute for the Prevention of Terrorism' s *National Technology Plan for Emergency Response to Catastrophic Terrorism* (Project Responder). The safety and security of our responders will result in more effective response operations that will save more lives. The portfolio will continue the Personal Protection & Equipment RDT&E program for the development of highly innovative and revolutionary protective materials and materials systems. Prototypes of new materials and garments with improved protection capability for chemical, biological, and radiological hazards will be tested in accordance with appropriate performance and operational requirements. The portfolio will seek to leverage DoD, other Federal agency investments, and the private sector to explore the application of nano-sensors ("electro-materials") and other

advanced technologies into personal protective equipment for the purpose of alert and warning in CBRN environments, situational awareness, and improvements in Personal Alert Safety Systems (PASS) for emergency responders and homeland security operations professionals. Based on requirements identified in FY06 and the results of initial technology evaluations, the portfolio will begin an RDT&E program specifically focused on technology systems to support emergency medical assistance for mass casualty events, particularly those involving radioactive materials.

UNITED STATES SECRET SERVICE

CURRENT SERVICES PROGRAM DESCRIPTION: The United States Secret Service (USSS) portfolio of the S&T Directorate develops and deploys advanced technologies to enhance that agency's protective and investigative capabilities. This portfolio is coordinated with the United States Secret Service and has established its first direct-funded R&D program. The portfolio focuses on input from the intelligence community (a threat-based model) and direct operational experience obtained over the last century. As a result, this funded technology program is subject to reevaluation and change based on the perceived threats to the safety of those the USSS protects and on the changing nature of criminal activity the USSS investigates.

FY 2005 Accomplishments:

The Emerging Threats Program: The USSS portfolio has selected a performer to conduct the second study in this annual series. The final report is expected to be delivered in January 2006.

The Physical Personnel Safety Program: Under the S&T Directorate's Rapid Technology Application Program (RTAP), USSS was able to put forward three requirements for funding that fulfilled urgent needs for the protective mission (Escape Mask, Handheld Suicide Bomber Detector, and Portable Entry Point Screening Portal for Explosive Detection) effectively tripling the funding available for USSS requirements.

The Operational Security Program: A contract was awarded for Ubiquitous Mobile Computing and work has commenced.

Loss of Location Fidelity Program: Two preliminary studies for tagging, tracking and locating (TTL) technologies are scheduled to be completed and briefed to DHS and USSS personnel. The evaluation results of the studies' results will provide the foundation for a longer-term TTL program.

Other developments: Work on the Optical Imaging Stations (OIS) is nearing completion. Delivery of the first 10 units is scheduled for early in FY 2006.

FY 2006 Plan:

The Emerging Threats Program: The USSS portfolio supports the Secret Service's continuing, comprehensive assessments of emerging threats and evolving technologies that pose a threat to dignitaries and assets protected by USSS personnel. This effort centers on the annual analysis of the common attack methodologies, strategies, and models of operation currently being enacted against assets of a similar nature to those protected by the USSS. This analysis is to be based on open-source information without any information as to the defense, mitigation, and protection models being enacted by the USSS.

The Physical Personnel Safety Program: The USSS portfolio will continue development of appropriate escape hood technology.

The Technical Surveillance Program: The USSS portfolio will begin the development of a mobile platform to detect, exploit, and defend against covert and over electronic surveillance systems.

The Operational Security Program: The USSS portfolio will continue (given a successful proof of concept in FY 2005) with the development of a ubiquitous mobile computing system that would allow secure wireless networked communication between unlike devices with high fidelity data transmission.

Loss of Location Fidelity Program: The USSS portfolio will initiate an Optical & Chemical Tagging/Tracking Project. Its objective will be development of optical and chemical tags that are robust and covertly deployable. Additionally, the mechanism used to track the "tagged" individual or item must also be covertly deployable.

The Cyber Security Program: The USSS portfolio will continue development of the Global Information System project centering on a secure scalable streaming and secure transcoding methodology. Its goal is to send and receive encrypted image data rapidly for actionable requests through a particular enterprise architecture.

FY 2007 Plan

The Physical Personnel Safety Program: The USSS portfolio will initiate a program to develop lighter and more robust body armor for agents.

The Cyber Security Program: The USSS will develop tracking and identification tools for perpetrator identification.

UNITED STATES COAST GUARD

CURRENT SERVICES PROGRAM DESCRIPTION: The United States Coast Guard protects the public, the environment, and U.S. economic interests in the Nation's ports and waterways, along the coast, on international waters, or in any maritime region as required to support national security. The Coast Guard Research Program supports this mission through the development of technologies and systems to enhance Maritime Domain Awareness, and to improve Operational Presence and Response. Maritime Domain Awareness includes all systems, sensors, and command and control systems necessary to detect, identify, and determine the threat potential of all vessel traffic. It also includes Port Security to protect important harbors. Operational Presence and Response involves safely and effectively stopping a vessel, boarding it, and finding or eliminating any threat or contraband. Research and development (R&D) in this program aims to give the Coast Guard the means of neutralizing threats as far away from potential targets as possible, and of responding to emergencies as quickly and effectively as possible. Coast Guard R&D is characterized by its many partnerships with other Federal agencies and international groups to share costs and expedite delivery of important products.

This program also supports such unique and traditional Coast Guard missions as Search and Rescue, Maritime Regulations, and Marine Safety. Research into oil spill prevention and response, and Aquatic Nuisance Species prevention supports the Marine Environmental Protection Program. Development of advanced navigation systems to improve the flow of goods and services via our nation's waterways also serves a traditional Coast Guard mission.

FY 2005 Accomplishments:

Maritime Domain Awareness

Situational Awareness: The program made significant strides toward the Hawkeye port surveillance system's operational use and toward an assessment of its overall contribution to port security. We developed and implemented new procedures and concepts of operation that take maximum advantage of Hawkeye's capabilities. The program developed innovative staffing and training requirements, system design specifications and physical layout recommendation for the Miami Sector Command Center (SCC), and we recommended common display and information systems for all command centers. Work began on the first generation of "visualization tools" to provide a better sense of the threat and foster a quicker integrated response. Integration of risk analysis into command center decision processes continued, and a study of the opportunities that anomaly detection could have on command center performance was begun.

Short- and Long-Range Sensing: Created a simulation tool that assesses the operational impact of Maritime Domain Awareness (MDA) and Wide Area Surveillance (WAS) alternatives in the Florida Straits. This simulation, the Florida Straits Dual Sector Simulation (FSDSS), represents coastal maritime operations in support of a wide variety of USCG missions. The simulation is being used to support decisions with respect to MDA and WAS, helping to identify high-priority operational and research investment requirements that could significantly improve Coast Guard performance. We have formed a partnership with the Office of Naval Research (ONR) on joint Navy/Coast Guard efforts to develop detection and tracking technologies and data mining solutions to support long range vessel surveillance. This program led the wide area surveillance study and delivered a report in response to HSPD-13. We initiated an analysis of alternatives for airborne Maritime wide area surveillance, and continued to provide leadership to international regulatory bodies on Automatic Identification System (AIS) system standardization. This standardization of AIS technology will enable Coast Guard to efficiently create a national AIS infrastructure to track commercial traffic for both maritime security and safety. We began to transition the experimental AIS reception network to operational use as part of the national AIS acquisition. We also partnered with the Canadian Joint Forces Experimentation Centre (JFEC) to evaluate current Unmanned Aerial Vehicle (UAV) systems and sensor packages against USCG mission requirements. While both countries were using the same platform and sensor package, each country was evaluating different issues. As a result, both countries benefited from each other's experiences, data, and results.

Underwater Technology: In partnership with the Navy and others, we developed a first generation integrated anti-swimmer system that will be used to protect high value assets from underwater attack. The system includes sonar that scans port waters and alerts authorities on land. The commercially available sonar and its Navy processor can distinguish swimmers from dolphins. Work is underway to improve interdiction capabilities to integrate with this detection capability. For static threats like underwater explosive devices, a 3-dimensional sonar is being incorporated into a mobile inspection package. This system provides detailed underwater images no matter what the visibility. We conducted operational tests of the underwater imager (this was a joint project with ONR and the University of South Florida). The system demonstrated could inspect underwater structures and ship hulls much more quickly and effectively than divers, and we are building on this success to develop an operationally deployable system.

Operational Presence and Response

Compel Compliance: This program conducted operational tests of the Boat Trap propeller entangling device and showed that the system deploys safely and reliably and can be accurately deployed directly

in front of the target vessel, thus minimizing the ability to evade entanglement. The system shows great promise, but full entanglement of the propeller by the Boat Trap net was not achieved, and design modifications to the net are in process. We completed evaluation of long range acoustic devices that are capable of projecting voice from USCG cutters over great distances. With Navy and the Joint Non-Lethal Weapons Directorate, we evaluated lightweight acoustic impulse devices as a non-lethal weapon for the interdiction of underwater threats. We began evaluation of the value of intrusion barriers in protecting high value maritime assets such as liquefied natural gas (LNG) tankers. Also evaluated were potential non-lethal delivery systems that can be used from a safe stand-off distance to deliver non-toxic, eye-safe marking technologies that are resistant to defeat by hostile personnel and will enhance the USCG's ability to relocate and identify the target.

Boarding Team Capability: The Directorate tested non-intrusive technologies to quickly inspect shipboard spaces, and to locate or inspect hidden compartments for such contraband as CBRNE (chemical, biological, radiological, nuclear, explosives), illegal migrants, and drugs. We developed a prototype for concept evaluation of a boarding team communications tool that will allow team members below deck to communicate with other team members, and we worked with the U. S. Army Natick Soldier Center to develop an integrated ballistic protection and flotation vest for boarding teams.

FY 2006 Plan:

Maritime Domain Awareness

Situational Awareness: This program is developing tools and procedures to improve Sector Commanders' ability to assess and respond to threats in and around a port. It will continue work on first generation visualization tools and response assessment tools for sector command centers, install and assess the first spiral system in Miami, and develop recommendations for improvements to tools and begin spiral two development process. It will also provide technical oversight of Automated Scene Understanding technology and conduct a technical evaluation of its ability to improve situation awareness while reducing operator workload.

Short and Long Range Sensing: This program is developing technologies to enable tracking, classification and identification of large vessels within 2000 nautical miles off-shore and small vessels within 300 nautical miles off shore. We will continue development of simulation models to examine alternative technologies and estimate their operational benefits. This program intends to continue its partnership with ONR on joint Navy/Coast Guard vessel tracking project, and its collaborative work with the Navy and other agencies to develop test plans and to conduct technology evaluations. We will complete development of international standards for AIS shore stations and small-boat AIS, developing a prototype low-cost, small boat AIS system into a commercial off-the-shelf technology. Engineering studies of AIS reception range and AIS interference will support the development of the national AIS infrastructure, and operational testing of small UAVs will assess their effectiveness in identifying and tracking high interest vessels as well as increase our understanding of the costs and logistic implications of employing small UAVs in USCG missions.

Underwater Technology: This program is developing technologies to prevent damage to critical infrastructure by swimmers, divers, and underwater explosives. It will work with ONR to develop full-scale prototype of mobile inspection package for rapidly scanning underwater structures or vessels for parasitic attachments, and it will conduct detailed operational testing with USCG operators. Continued work with ONR will develop and evaluate sensors that can be carried on autonomous underwater vehicles to improve port security. The program includes an effort to develop a Navy-compatible

method to improve the sensing of potential mines in ports and waterways, and operational demonstration of technology in partnership with NOAA.

Operational Presence and Response

Compel Compliance: This program is developing technologies and tools to stop people and vessels from carrying out acts that are illegal or cause harm. In partnership with the DoD Joint Non-Lethal Weapons Directorate (JNLWD) it will: conduct an engineering study of entangling nets to better understand key net properties that facilitate propeller fouling, redesign Boat Trap net based on results of engineering study, obtain full-scale prototypes for testing, complete a large vessel stopping feasibility study, continue development of vessel marking technology to mark vessels at sea to assist in identification and relocation, develop prototype and conduct at-sea testing, complete testing of underwater loud hailer for warning divers, and develop a full-scale prototype of acoustic impulse prototype to stop divers and begin operational tests with USCG assets.

Boarding Team Capability: This program is developing tools for boarding teams to improve their capability to inspect vessels, locate contraband and weapons of mass destruction, identify the personnel on board a vessel and ensure that boarding operations can be conducted safely. We will continue our strong partnership with the S&T Directorate on detection technologies, and will work with technology developers to improve likelihood that emerging technologies can be applied to support Coast Guard missions. Communication of USCG requirements and maritime constraints is a crucial aspect of this program's role in these partnerships. We will assist in operational testing when technologies mature, assess boarding team communications capability and needs, and complete concept evaluation of a boarding team communications equipment that will allow team members to communicate even when they are below deck on steel ships. Operational tests of emerging technologies that can be used to look non-destructively through steel bulkheads on ships will be conducted. A requirements study will be completed for obtaining biometric information from vessel crews for the purpose of verifying identification for incorporation into Department of Homeland Security's Automated Biometric Identification System (IDENT) program. Work with U. S. Army Natick Laboratory to develop improved boarding team personal protective equipment will also continue.

FY 2007 Plan:

Maritime Domain Awareness (MDA)

The multi-dimensional, cross domain effort of building an MDA system-of-systems requires a sophisticated implementation effort to ensure the requirements of all stakeholders (including warfighters, planners, first responders, law enforcement agencies, commercial interests, and policy makers) are fully considered and maximum "buy-in" is achieved across all departments, agencies, and all other entities within and outside of government. Thus the development of the implementation plan itself requires a structured, analytical approach and the use of proven systems engineering methodologies to the multi-departmental, complex problem of building an effective national maritime domain awareness system.

Situational Awareness: First generation visualization tools and response assessment tools for sector command centers will be completed. Sector command center watchstanders' capability will be improved by pre-processing data and displaying information in a relevant and useful way. Assessment and hand-off system specifications will be developed for USCG acquisition. Automated scene understanding technology will be developed, if successful, specifications for acquisition will be prepared. The sector command center simulator will be completed.

Short and Long Range Sensing: The technology roadmap and system architecture for a sensor network that will provide the capability for the Coast Guard to detect and track all surface vessels greater than 25-ft out to 100 miles from shore will be completed. Development and exercising of simulation models that will help examine alternative technologies and estimate operational benefits will continue, as will our partnership with ONR on the joint Navy/Coast Guard vessel tracking project. We will work with the Navy to develop test plans and to conduct technology evaluations, complete operational testing of small UAVs to assess their effectiveness in identifying and tracking high interest vessels and understand the costs and logistic implications of employing small UAVs in USCG missions, and we will begin development of a barge tracking prototype.

Underwater Technology: We will complete development of low-cost swimmer detection system for commercial facility protection. We will also complete detailed operational testing of the marine inspection package. Collaboration with ONR to develop and evaluate sensors that can be carried on autonomous underwater vehicles to improve port security will continue.

Operational Presence and Response

Compel Compliance: We will conduct operational testing of redesigned Boat Trap, and we will develop concepts of operation, procedures and training recommendations and deliver them to the sponsor. The full-scale prototype portable entangling net will be completed. Based on results of large vessel stopping study, we will invest in development of most promising technology or technique. Testing of an acoustic impulse prototype to stop divers will be completed, and we will begin the process of better integrating all the components of the anti-swimmer system. The most promising non-lethal anti-personnel technologies for subduing personnel during at-sea boardings will be evaluated, as will the effects of non-lethal technologies and their CONOPS on people. In partnership with JNLWD and other Federal Agencies, we will develop, test, and evaluate directed energy technologies for stopping and slowing vessels.

Boarding Team Capability: The program will continue to work with technology developers to improve the likelihood that emerging technologies can be applied to support Coast Guard missions. Operational evaluations of promising search technologies developed by the S&T Directorate, Technical Support Working Group (TSWG), and others will continue. We will assess the state of multi-modal detection technology and provide recommendations for acquisition. Development of a full-scale prototype of a boarding team connectivity solution will begin. We will test and evaluate prototypes non-contact detection of contraband. A maritime biometric identification system to support vessel crew identification will be developed. Means for CG to access the Smart Container system will be developed, and we will continue to conduct operational tests of U.S. Army Natick Laboratory-developed personal protective equipment.

Non HLS Missions

Search and Rescue: We will model efforts to improve search effectiveness, specifically in search object drift and search object detection. Research will continue to model survivor sustainment in different sea conditions to assist in decisions on how long to search for survivors, and we will prototype promising mass rescue operation technologies. We will complete analysis of potential uses of cellular technology to assist the search and rescue mission. We will explore potential improvements for next generation Global Maritime Distress Safety System or future distress notification system. Finally, we intend to develop tools and techniques to improve Coast Guard's capability to plan and execute mass rescues.

Aquatic Nuisance Species (ANS): We intend to finalize cutoff levels for chemical parameters for ballast water exchange verification, and develop methodologies for testing ballast treatment systems installed aboard ships including obtaining representative samples. We intend to provide the Coast Guard the ability to evaluate the effectiveness of treatment methods, and the ability to evaluate exchange as a ballast water management practice to control the spread of ANS. We will evaluate potential ballast water treatment practices necessary to control the spread of ANS.

Spill Response: We intend to continue to evaluate and develop techniques for recovering subsurface oils, including development of simulation tools to aid skills development and decision-making in high consequence, low frequency scenarios. Integration of hazardous materials decision tools within USCG command centers will continue, and we will work to improve the capability to respond to oil spills by partnering with other Federal Agencies to develop decision tools and response techniques needed for use of dispersants in near-shore areas and for responding to oil spills in cold environments.

Marine Safety: We will perform critical fire research to provide the Coast Guard with the information needed to reduce the risk of fires onboard vessels in order to save lives, and protect property and the environment. We will conduct tests of pre-engineered fire extinguishing systems for large and unusual spaces aboard merchant vessels.

PPA: UNIVERSITY AND FELLOWSHIP PROGRAMS

	Perm Pos.	Work Years	Amount
2005 Actual	-	-	**$113,522**
2006 Revised Enacted	-	-	**62,370**
2007 Adjustments to Base	-	-	(10,400)
2007 Current Services	-	-	**51,970**
2007 Program Change	-	-	-
2007 Request	-	-	**51,970**
Total Change 2006-2007	-	-	(10,400)

Science and Technology Directorate requests $52 million for this activity. This is a decrease of $10.4 million below FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: University Programs coordinate, leverage and use the university community's distinctive intellectual capital to address current and future mission-critical homeland security needs, through both research and educational programs. Thus the University Programs portfolio focuses on: 1) developing the scientific research foundation necessary to advancing knowledge in homeland security fields, 2) developing a cadre of technical experts within the Nation's workforce who are trained to address current and future challenges in securing the homeland, and 3) ensuring the results of their research are disseminated to the Department of Homeland Security (DHS) and its partners. The University Programs portfolio is invested largely in two areas: a university-based system of DHS Centers, and a Scholars and Fellows Program intended to attract the next generation of academic researchers to disciplines that are relevant or essential to homeland security. University Programs have therefore become a catalyst for mission-relevant research at more than 40 major research universities, and are building capacity worldwide by attracting hundreds of researchers from more than 110 institutions to focus on issues critical to homeland security.

DHS Centers include both Centers of Excellence and Cooperative Centers. They form a network of universities designated to carry out mission-focused multidisciplinary research that fills specific scientific and technological knowledge gaps identified by Congress, the National Academies of Science, Presidential Homeland Security Directives or DHS. The Centers of Excellence and their partners address major all-hazard like the risk and economic consequences of terrorism events, agricultural security, social and behavioral aspects of terrorism, and preparedness and response to high consequence events. University Programs are also working with other Federal agencies and research centers to develop interagency Cooperative Research Centers that will allow the Federal government to conserve resources, avoid duplication of effort, and coordinate research where there are scientific issues of concern to more than one agency. DHS sees its Centers as vital to building scientific leadership and maintaining core competencies in disciplines of importance to homeland security. Selection for participation in DHS Centers is highly competitive, peer-reviewed, and merit-based.

The Scholars and Fellows Program focus on individuals as opposed to institutions. It seeks a diverse cadre of highly talented students and scholars, competitively selected to pursue courses of study related to homeland security. Scholars and Fellows receive support to continue their education, and they also participate in a formal internship at DHS, a DHS Laboratory, a National Laboratory or a DHS Center.

FY 2005 Accomplishments

In FY 2005, University Programs continued to support three DHS Centers of Excellence, awarded the fourth Center on the Study of Terrorism and Response to Terrorism, selected the fifth Center on High Consequence Event Preparedness and Response, and topics for consideration for additional Centers of Excellence are under active discussion within the Directorate. University Programs also established one Cooperative Research Center on microbiological risk assessment jointly with the Environmental Protection Agency, and issued a BAA for a University Affiliated Center to the DHS Institute of Discrete Sciences. A description of all accomplishments follows.

Continued Support of Three DHS Centers of Excellence:

- **Center for Risk and Economic Analysis of Terrorism Events** – Risk analysis related to the economic consequences of terrorist threats and events. Lead University: University of Southern California. Major Partners: University of Wisconsin at Madison, New York University, and Structured Decision Corporation (affiliated with MIT).

- **National Center for Food Protection and Defense** – Defense of the Nation's food supply. Lead University: University of Minnesota. Major Partners: Michigan State University, University of Wisconsin at Madison, North Dakota State University, Georgia Institute of Technology, and University of Tennessee at Knoxville.

- **National Center for Foreign Animal and Zoonotic Disease Defense** – Threats to animal agriculture, including Foot and Mouth Disease, Rift Valley Fever, Avian Influenza, and Brucellosis. Lead University: Texas A&M University, Major Partners: University of Texas Medical Branch, University of California at Davis, and the University of Southern California.

Creation of Additional DHS Centers of Excellence:

- **National Center for the Study of Terrorism and Responses to Terrorism** – This Center will concentrate on what moves individuals, small groups and social movements to undertake terrorism as a strategy. It will investigate the dynamics of terrorist groups, and study societal responses to actual or possible attacks. Lead University: University of Maryland. Major Partners: University of California at Los Angeles, University of Colorado at Boulder, Monterey Institute of International Studies, University of Pennsylvania, and University of South Carolina.

- **Center for the Study of High Consequence Event Preparedness and Response** – This Center will concentrate on preparation for disasters—high consequence events—with a special emphasis on acts of terrorism. Its multidisciplinary work addresses the technical, systemic, behavioral, and organizational challenges such events pose, particularly when the disaster is caused by weapons of mass destruction. Center selection was in progress at the end of FY 2005, and completed in the first quarter of FY 2006 with the selection of Johns Hopkins University and partners.

Cooperative Research Centers:

- **DHS and EPA Cooperative Center on Microbial Risk Assessment** – This Center focuses on risk assessments for terrorist incidents involving bio-threat agents (including the bacteria, viruses, and biotoxins relating to the Category A agents anthrax, smallpox, botulism, plague, viral hemorrhagic fever, and tularemia) in both indoor and outdoor environments. Michigan State University heads the Center, with major partners at Carnegie Mellon University, Drexel University, the University of Arizona, Northern Arizona University, the University of California at Berkeley and the University of Michigan.

- **University Affiliate Centers to the DHS Institute for Discrete Sciences** – The Institute for Discrete Sciences (IDS) is a joint project between University Programs and the Threat Awareness Portfolio at Lawrence Livermore Labs. DHS will select up to four University Affiliate Centers to participate in the IDS. Discrete sciences underlie key technologies for meeting computational challenges like threat characterization, risk assessment, situational awareness, and scenario planning.

Education Programs and Informal Education Activities

University Programs support training the next generation of researchers. DHS is looking for persistent, productive, creative problem solvers. These diverse and highly talented individuals possess the skills, abilities, attributes and knowledge to advance knowledge in areas of importance to homeland security.

- **Scholarship and Fellowship Program** – Approximately 300 undergraduate and graduate students were supported in FY 2005 in DHS mission-relevant fields. Students participated in DHS-focused research at DHS-affiliated institutions (DHS Laboratories, National Laboratories and DHS Centers of Excellence) thereby connecting their academic interests with homeland security initiatives.

- **Postdoctoral Associateship Program** – The program funds up to ten postdoctoral scientists and engineers to perform advanced research in areas of critical importance to DHS. Postdoctoral scholars enhance work done at DHS Labs, National Labs and DHS Centers of Excellence.

- **Pilot Summer Faculty and Student Research Team Program** – A pilot program was established for faculty and students from Historically Black Colleges and Universities (HBCU), Hispanic Serving Institutions (HSI), Tribal Colleges and Universities (TCU), and Alaska Native and Native

Hawaiian Serving Universities. The Program made awards to 10 faculty and student teams that conducted research at one of the DHS Centers of Excellence.

- **Outreach to Historically Black Colleges and Universities (HBCU) and Minority Serving Institutions (MSI)** – Three informational research exchange workshops were held at Wilberforce University, the University of Southern California, and Tuskegee University. Their goal was to introduce participants to the current and future research needs of DHS S&T, potentially increase the number of collaborations, and foster long-term relationships among HBCUs, HSIs, TCUs and MSIs. Approximately 58 institutions and more than 120 researchers attended the workshops. A number of participants also applied to the Pilot Summer Faculty and Student Research Team Program.

- **American Association for the Advancement of Science (AAAS) Policy Fellows** – The University Programs portfolio supported four AAAS science and technology policy fellows at the S&T Directorate. AAAS provides the opportunity for accomplished and societally aware scientists and engineers to participate in and contribute to the public policy making process.

University Programs Cross Cutting Accomplishments

- **University Programs Symposium** – Topic: Science-Based Risk Analysis: Examining Threats, Vulnerabilities, Consequences and Responses. More than 120 participants attended from other DHS directorates, various Federal agencies and the greater homeland security community.

- **External Program Review** – University Programs External Review was held in September 2005.

FY 2006 Plan

In FY 2006, University Programs received $63.0 million that will sustain ongoing research by the DHS University Centers of Excellence and continue existing education initiatives. Additionally, University Programs will conduct a peer-reviewed site visit of the first three Centers of Excellence that will provide in-depth technical review in support of assessments on these three-year awards. DHS will evaluate other DHS Centers in subsequent years as appropriate. Additionally, recommendations from external peer reviews conducted in FY2005 are being incorporated into both research and education programs.

DHS Centers:

DHS University Research Centers (focus is multidisciplinary research and education)— DHS Centers form a network of universities designed to conduct mission-relevant multidisciplinary research best performed by the University community to fill specifically identified scientific and technological knowledge gaps as well as educate the next generation of scientists and engineers in research areas of importance to the Department.

Continued Support of Four DHS Centers of Excellence:

- Center for Risk and Economic Analysis of Terrorism Events. Mission objective: to evaluate the risks, costs, and consequences of terrorism, and guide economically viable investments in countermeasures that will make our Nation safer and more secure. Lead University: University of Southern California.
- National Center for Food Protection and Defense. Mission objective: to defend the safety of the food system through research and education; establish best practices, develop new

tools, and attract new researchers to manage and respond to food contamination events. Lead University: University of Minnesota.

- National Center for Foreign Animal and Zoonotic Disease Defense. Mission objective: To protect against the introduction of high consequence foreign animal and zoonotic diseases in the United States with emphasis on prevention, surveillance, intervention, and recovery. Lead University: Texas A&M University.
- National Center for the Study of Terrorism and Responses to Terrorism. Mission objective: To provide strategies for intervention of terrorists and terrorist organizations, and to strengthen the resilience of U.S. citizens to terrorist attacks. Lead University: University of Maryland.

Launch and Support two Centers of Excellence and two Cooperative Centers in FY2006:

- The National Center for the Study of Preparedness and Catastrophic Event Response was announced in December 2005 and is headquartered by Johns Hopkins University. This Center has a mission objective to optimize our Nation's preparedness in the event of a high consequence natural or man-made disaster, and develop best guidelines to alleviate the effects of such an event.
- Topics and consideration for additional Centers of Excellence are under active discussion within the Directorate.
- In the first quarter of FY 2006, DHS and EPA jointly launched a Cooperative Center on Microbial Risk Assessment. This Center focuses on risk assessments for terrorist incidents involving bio-threat agents (including the bacteria, viruses, and biotoxins relating to the Category A agents anthrax, smallpox, botulism, plague, viral hemorrhagic fever, and tularemia) in both indoor and outdoor environments. Lead University: Michigan State University.
- DHS intends to launch a second Cooperative Center in FY 2006 that will create University Affiliate Centers to the DHS Institute for Discrete Sciences. The Institute for Discrete Sciences (IDS) will be a joint project between University Programs and the S&T Threat Awareness Portfolio led by Lawrence Livermore National Laboratory. Up to four University Affiliate Centers will participate in the IDS. Discrete Science developments underlie the key technologies necessary for meeting computational challenges like threat characterization, risk assessment, situational awareness, and scenario planning.

Education Programs and Informal Education Activities

University Programs will continue programs to develop and build a cadre of highly talented students and scholars, competitively selected to pursue courses of study relevant to homeland security. The programs will provide educational support and relevant experiential learning opportunities to individuals, including those from Minority Serving Institutions (MSIs), to enhance the scientific leadership in areas of importance to DHS.

- Scholarship and Fellowship Program – University Programs plans to support approximately 300 undergraduate and graduate students in FY 2006 in DHS mission-relevant fields. This program also requires a mission-relevant internship period conducting Homeland Security research at a designated laboratory or agency.
- Postdoctoral Associateship Program – University Programs plans to fund up to ten postdoctoral scientists and engineers to perform advanced research in areas of critical

importance to DHS. Postdoctoral scholars enhance work done at DHS Labs, National Labs and DHS Centers of Excellence.

- American Association for the Advancement of Science (AAAS) Policy Fellows – The University Programs portfolio plans to support up to five AAAS science and technology policy fellows within the S&T Directorate. The AAAS Program provides the opportunity for accomplished and societally aware scientists and engineers to participate in and contribute to the public policy making process.
- University Programs will continue the Summer Faculty and Student Research Team Program for faculty and students from Historically Black Colleges and Universities (HBCU), Hispanic Serving Institutions (HSI), Tribal Colleges and Universities (TCU), and Alaska Native and Native Hawaiian Serving Universities. The Program will make awards to 15 faculty and student teams to conduct research at one of the DHS Centers of Excellence.
- Provide continued outreach to Historically Black Colleges and Universities (HBCU) and Minority Serving Institutions (MSI). This will include support for three informational workshops at MSIs to introduce participants to the current and future research needs of DHS S&T, potentially increase the number of collaborations, and foster long-term relationships among HBCUs, HSIs, TCUs and MSIs.

FY 2007 Plan

The current proposed FY 2007 budget is $52.6 million. University Programs will continue development of a coordinated university-based system to develop further synergies of effort as well as emphasize academic research and education programs:

- Managing, integrating and supporting the existing five Centers of Excellence and one Cooperative Center:
  - Center for Risk and Economic Analysis of Terrorism (Lead University: University of Southern California)
  - National Center for Food Protection and Defense (Lead University: University of Minnesota)
  - National Center for Foreign Animal and Zoonotic Disease Defense (Lead University: Texas A&M University)
  - National Center for the Study of Terrorism and Responses to Terrorism (Lead University: University of Maryland)
  - National Center for the Study of Preparedness and Catastrophic Event Response (Lead University: Johns Hopkins University)
  - DHS and EPA Cooperative Center on Microbial Risk Assessment (Lead University: Michigan State University)
- Continue development of DHS Centers planned for launch in FY 2006
  - Cooperative Center for University Affiliate Centers to the DHS Institute for Discrete Sciences (University Programs plans to select participating Universities in FY 2006)
  - Provide support to ensure mission-relevant research for any additional DHS Centers of Excellence begun in FY2006.

DHS supports academic scholars studying in disciplines of significant importance to the Department.

- University Programs will continue supporting approximately 200 undergraduate and graduate students, fellows and postdoctoral scholars under the Scholars and Fellows Program.
- University Programs plans to support up to ten additional postdoctoral researchers and up to five AAAS Fellows to participate in DHS research.

PPA: EMERGING THREATS

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$13,272**
2006 Revised Enacted	-	-	**7,920**
2007 Adjustments to Base	-	-	(7,920)
2007 Current Services	-	-	-
2007 Program Change	-	-	-
2007 Request	-	-	-
Total Change 2006-2007	-	-	(7,920)

Science and Technology Directorate request no funds for this activity. Resources have been combined in a new portfolio entitled "Emergent and Prototypical Technology".

CURRENT SERVICES PROGRAM DESCRIPTION: The Emerging Threats portfolio addresses the dynamic nature of terrorist threats, as science and technology advancements enable new agents of harm and new ways to employ them. The mission of the Emerging Threats portfolio is to anticipate and define potential threats arising from new scientific and technological advances, terrorist use of existing capabilities in new or unexpected manners, conduct self assessments of the S&T Directorate's research activities and jump-start countermeasures capability development. High priority is placed on developing the capability to use innovative, crosscutting approaches for anticipating and responding to new and emerging threats. Successful identification of emerging threats will permit capabilities to be developed to thwart these emerging threats before they are used.

The Department of Homeland Security's (DHS's) and the S&T Directorate's strategic planning process and risk prioritization ensures that the greatest known and current threats are addressed in order to reduce the risks posed by these threats. However, the Department and the S&T Directorate must also anticipate and respond to newly identified and emerging threats as information becomes known, and then proactively work to reduce the risk of these new and emerging threats. The S&T Directorate must be proactive in conducting Research, Development, Testing and Evaluation (RDT&E) to mitigate new and emerging threats as they become identified, rather than be in a reactive mode after a threat has presented itself. The time period for RDT&E is normally a period of years. The normal planning process is simply too long to address new and emerging threats after they become known. The Emerging Threats portfolio provides a mechanism to shorten the RDT&E cycle for new and emerging threats so that research can be responsive and agile per the Secretary of DHS's direction and effectively support operations.
Relevant R&D is underway at other agencies and organizations; thus, partnerships in this area hold great potential for synergistic focus on homeland security. Work is conducted in partnership as appropriate with the Department of Energy (DOE), Department of Defense (DoD), Department of

Health and Human Services (DHHS), Department of Justice (DOJ), United States Department of Agriculture (USDA), and the Intelligence Community (IC).

FY 2005 Accomplishments:

Transit Security Project (TSP): Transit systems continue to be targets for terrorists. Novel uses of explosives in subway systems to cause catastrophic damage are an important emerging threat to consider. Minimum threshold values of explosives that could cause catastrophic damage (as defined by each participating transit system) were characterized for each system. A better characterization of the risk of catastrophic damage has been obtained and shared with the participating transit systems.

Compounded Infrastructure Threat (CIT): This effort evaluated ways in which infrastructure could be used as a weapon. Although many examples of CIT are known (e.g., planes into buildings, nuclear plants, chemical industry), this effort was designed to discover and identify CITs with potentially catastrophic, national consequences that have not yet been addressed by current DHS or other Federal efforts. Various analysis efforts were conducted to identify and characterize CITs. A workshop of diverse subject matter experts (SMEs) was conducted in March, 2004, to elicit novel CIT scenarios and opinions about the relative importance of CIT versus Weapons of Mass Destruction (WMD) and other highly technical, sophisticated threats. Additional analysis by SMEs in the areas of adversary motivation and intent, intelligence analysis, infrastructure protection and counter-terrorism was also conducted to identify unaddressed CITs. A methodology was developed to evaluate CITs as part of DHS's risk prioritization framework.

A specific CIT, the use of the inherent structural characteristics of a subway system to exacerbate the spread of a WMD release was identified and evaluated. An in-depth evaluation of the potential to mitigate this risk was conducted by a team of national laboratory researchers in collaboration with the Federal Transit Authority, Transportation Security Administration and participation by all of the major US metropolitan transit agencies.

Foot and Mouth Disease (FMD) Study: DHS has an interagency coordination role for any FMD outbreak either intentionally introduced or naturally occurring, per Homeland Security Presidential Directive-9 (HSPD-9). This study, in collaboration with the Biodefense Knowledge Center, delivered a retrospective epidemiological investigation of a recent FMD outbreak in Brazil, specifically evaluating the rumored intentional introduction of FMD and developing a comprehensive but generic analysis framework for expediting future investigations. FMD is an emerging threat because the international prevalence of the disease is increasing and the U.S. is highly vulnerable to rapid transmission of the disease once introduced. After hosting two inter-agency meetings on the topic in Washington, DC, a draft report was delivered to the DHS S&T Directorate and the DHS Information Analysis (IA) Division in April, 2005. In addition, sections of the report have also been distributed to the Armed Forces Medical Intelligence Center (AFMIC) and United States Department of Agriculture (USDA).

Automated Risk and Vulnerability Assessment: The objective of this effort is to rapidly identify areas of high risk and vulnerability within the United States based upon group- and tactic-specific terrorist patterns abroad. The effort rapidly extracts targeting patterns from a wide source of information to include geo-spatial, infrastructure, adversarial behavior, and temporal data. The alpha system has been successfully developed and tested on specific cases in cooperation with the operational community from both DHS and DoD. As a result of this successful testing, DHS's Information Analysis (IA) Division has requested that the S&T Directorate accelerate the fielding schedule of this technology into

IA's operational Sensitive Compartmented Information Facility (SCIF). The system is currently in certification and accreditation phase prior to installation.

Capability Developments: Initiated three sensitive capability development projects in direct support of Departmental Components who identified high-risk emerging threats and for which there were no existing capabilities to counter those threats.

The Next Generation Crimeware Defenses (NGCD) Project : This effort will develop an embedded hardware secure computing environment that would strengthen defenses by defeating crimeware, keyloggers (both software and hardware), pharming and phishing. Furthermore, a secure browser will be developed which, in that environment, could prevent software crimeware. The solution should be compatible with hardware authentication schemes such as PKI, smartcards and other tokens. The solution will provide a widely deployable secure computing hardware environment, without requiring replacement of existing desktop or laptop computers. The contract awardedon September 13, 2005.

Virtual Machine Detection and Escape (VMDE): To confound malicious code researchers, reverse engineers, and other security personnel, malicious software (malware) specimens are starting to hunt for evidence that they are running inside a virtual machine. If the malware detects the presence of a virtual machine, a likely sign that it is being investigated, it behaves differently. To help improve the defender's abilities, this project will investigate the current techniques that malicious code can use to detect virtual machines, as well as techniques that the researchers can use to hide their virtualization and analysis from the malicious code. Armed with such knowledge, malicious code analysts and defenders will better be able to understand the behavior of the latest breeds of pathogenic software. Furthermore, computer attackers have been researching the ability to escape a virtual machine environment, to jump out of a guest operating system into its host. Malicious code with such capabilities would pose a significant threat to the many commercial and government organizations deploying virtual machine farms to lower costs, improve reliability, and simplify system management. This project will also analyze various possibilities for escaping virtual machine environments and how to defend against such tactics as they are introduced into malicious code. The contract was awarded on September 29, 2005.

Evaluation of Toxic Industrial Chemical (TIC) Sensors: Initiate a study to evaluate the performance of various TIC detectors and study the behavior of a chemical release in an office setting. This project has been awarded and work began in September, 2005.

FY 2006 Plan:

Funding will complete the support and evaluation of projects initiated under the Near-Term and Future Technologies solicitation released in FY 2004.

The Emerging Threats portfolio will also complete the projects initiated in FY 2005, and test and evaluate the results from these projects. The portfolio will begin to develop technologies and systems against emerging threats identified as a result of FY 2005 emerging threats analysis.

The Emerging Threats portfolio will fund research dedicated to long-term, undefined threats as a means to exercise technology influence in the marketplace and build infrastructure to incentivize non-requirements driven, high-risk, high-payoff R&D, thereby promoting technology push and collaboration to solve otherwise intractable problems.

The Emerging Threats portfolio will sponsor comprehensive identification and tracking of Emerging Threats across four theme areas: (1) WMD emerging threats, (2) conventional (non-WMD) emerging threats, (3) threats against (and using) infrastructure, and (4) emerging motivation and intent (M&I) factors. Specific plans for FY 2006 include:

- WMD emerging threats: Develop initial framework, ranking, and timescales for identified emerging threats and potential emerging threats across all WMD
- Conventional (non-WMD) emerging threats: Extend methodology and framework to conventional threats, e.g. explosives, to enhance understanding on how terrorists develop and adapt new technology
- Threats against (and using) infrastructure: Initial integration with WMD emerging threat framework to develop consistent methodology for evaluating and tracking all emerging threats
- Emerging motivation and intent (M&I) factors: Extend FY 2005 M&I work to identify trends and how M&I evolves due to external factors; initial integration of M&I analysis into emerging threat methodology and framework

The outcomes of the assessments will lead the strategic programs to integrate multiple disciplines and threat scenarios and comprehensively use intelligence-based information to establish organizational foresight.

PPA: RAPID PROTOTYPING

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$65,626**
2006 Revised Enacted	-	-	**34,650**
2007 Adjustments to Base	-	-	(34,650)
2007 Current Services	-	-	-
2007 Program Change	-	-	-
2007 Request	-	-	-
Total Change 2006-2007	-	-	(34,650)

Science and Technology Directorate request no funds for this activity. Resources have been combined in a new portfolio entitled "Emergent and Prototypical Technology".

CURRENT SERVICES PROGRAM DESCRIPTION: The mission of the Rapid Prototyping portfolio is to accelerate, through technology clearinghouse, deployment of advanced technologies to address urgent user requirements. The Rapid Prototyping portfolio advances the Directorate's mission to conduct, stimulate and enable research, development, test, evaluation and timely transition of homeland security capabilities to Federal, State and local operational end-users. Accelerating the timeline for development and commercialization of relevant technologies will allow the Science and Technology Directorate to ensure that operational end-users are equipped with the most advanced technologies available. To accomplish this mission, the Rapid Prototyping portfolio will seek to transition two types of technologies. The first are those technologies already in existence that require capability modification to address an immediate or emergent threat. These technologies will undergo a rapid re-engineering process and then be transitioned to the private sector or deployed by government entities on an accelerated schedule to provide defensive countermeasures or response capabilities when needed. The second category is comprised of those technologies that have reached a level of

functional maturity to make them candidates for accelerated development. These technology opportunities will undergo operational testing and pilot deployment to determine their ultimate applicability.

FY 2005 Accomplishments:

Rapid Technology Application Program: The Rapid Technology Application Program (RTAP) was initiated. The RTAP program is intended to provide needed new technologies to Federal, State, and local components of the homeland security mission. User commitment is extremely important in RTAP. The program will not develop technology without user commitment to acquire successful technologies. There are multiple steps within RTAP to ensure this. Eleven Requirements Generation Panels were formed to identify and prioritize rapid technology requirements. First, the panels start with research and development (R&D) needs stated by the Science and Technology Requirements Council (SRC), a council of senior DHS officials representing the various operational elements. Second, the requirements generation panels are appointed by the operational elements leaders (Under Secretaries, Commandant USCG, USSS Director) with the intention that they present the most pressing needs of their portions of DHS. Third, the output of the requirements generations panels are sent back to the operational elements leaders for validation. They are specifically asked to remove or postpone any requirement for which they are not prepared to acquire and field in the out years.

RTAP is designed to ensure that the developed technologies directly benefit the targeted users through user participation in defining and conducting field tests of the technologies. In some cases, the users will also participate in iterative development with the contractors selected under RTAP. This interactive approach is intended to give the contractors a better understanding of user needs and operational environment and to give the user the information needed to make informed acquisitions after the program ends.

By design, strong customer involvement drives the RTAP process, thereby maximizing the likelihood that outputs reach intended beneficiaries within 6-18 months. The RTAP requires direct participation from Federal, State, and local customers to determine and maintain relevance to national needs and DHS missions. The RTAP process was designed to ensure that resources are directly used, minimizing administrative support, to support the DHS counter-terrorism mission.

RTAP has four phases: requirements generation/refinement, competitive solicitation and evaluation, negotiation and contracting, and program execution. This year users generated 28 urgent, Rapid Prototyping requirements. Four examples of these 28 individual projects follow:

1. *Tactical Escape Mask* - develop a lightweight, one-time use, National Institute for Occupational Safety and Health (NIOSH) approved tactical escape mask with 60-minute endurance in Chemical, Biological, Radiological and Nuclear (CBRN) environments meeting the specifications.
2. *Rapid Suspected Bio-agent Screening Tool Kit* - develop a tool and method for rapidly screening suspicious "white powders" to eliminate the probability that the substance is a biological threat agent. The goal is to be able to distinguish between biological threats and common white powdery substances, including proteinaceous materials.
3. *Maritime Safety and Security Team Explosive Trace Detection (MSST)*- develop a small, rugged, portable device capable of accomplishing explosive trace detection onboard assorted vessels and facilities in maritime environments, which are often complicated by diesel fuel, saltwater spray, cargo substances, chemicals, etc.

4. *Advanced 3D Locator System* – develop a system that accurately locates and tracks incident responders inside threatened buildings, collapsed buildings, and subterranean facilities or underground.

Emergency Responders

Next Generation Structural Fire Fighting Protective Ensemble: Improved Level A Ensemble - Twelve complete prototype multi-hazard ensembles consisting of suit, gloves, Self Contained Breathing Apparatus (SCBA) / Powered Air Purifying Respirators (PAPR) and mask have been developed for CBRN testing [National Fire Protection Association (NFPA) 1991/1994] and field evaluations.

Next-Generation Fire Fighter Turnout Gear with Improved Chemical, Biological and Radiological (CBR) Protection: The DHS S&T Directorate funded two teams through the interagency Technical Support Working Group (TSWG) to develop prototype fire fighter structural turnout gear for first responders that offers improved chemical and biological protection and that will be NFPA 1971 certified. The prototype suits from both teams were demonstrated at the Fire Department Instructor's Conference (FDIC) in Indianapolis, IN, April 11-16, 2005, and at the Force Protection Equipment Demonstration (FPED) in Quantico, VA, April 26-28, 2005.

Chemical and Biological Countermeasures

Facility Airborne Biological Toxin Alarm System (FABTAS): Avir TOVA™/EN hybrid sensor for building HVAC protection -This hybrid sensor for building heating, ventilation and air conditioning (HVAC) system protection uses two methods to detect chemical warfare agents and toxic industrial chemicals providing improved reliability, response time, and accuracy. One prototype system is currently undergoing testing. The second prototype system is undergoing testing in a closed-loop duct where realistic inlet conditions have been established. Environmental testing using the closed-loop system has been completed, and testing with single chemicals is nearing completion. System testing with mixtures of chemicals and interferents is also underway.

Direct Detection of Botulinum Toxin: A microliter plate assay to detect botulinum toxin in the presence of bio-materials (milk, liquid, eggs, beverages, baby food, and some fruit juices) was successfully developed. The assay works in most foods, although a pre-treatment may be needed for some food matrices. The assay can be performed in as little as ten minutes making it faster than current botulinum detection platforms. The contract was extended to conduct further evaluation variations in toxin activation.

Biological Backgrounds in Facilities: Both Los Alamos National Laboratory/Lawrence Berkeley National Laboratory (LANL/LBNL) and the University of Minnesota have completed initial 30-day sample collection and have characterized the samples using biochemical, bacteriological and virology methods.

Radiological and Nuclear Countermeasures

Expedient Mitigation of a Radiological Release: Expedient Mitigation of a Radiological Release - Two formulations of a radionuclide fixative (IsoDEF™ and HeloTRON™) designed to lock down radioactive particles in the event of a radionuclide dispersion device (RDD) attack, or in the event of a nuclear accident have been developed. The chemical and physical properties of the coatings were successfully tested and the coatings were successfully tested against simulants. The Seattle Fire Department successfully conducted a small-scale field trial with the material in January, 2005. As a result of the trials, the US Marine Corps has included the formulations in upcoming field trials.

Efficient Detection of High-Z Materials in Cargo: A test of a sub-scale prototype Cargo container inspection system was successfully conducted. The test demonstrated the capability for high-confidence detection of a nuclear weapon by discriminating special nuclear material, lead and other high atomic weight elements from iron and the other common metals of commerce.

Efficient Real-Time Radioisotope Identification and Reporting: Initial user evaluation of a fully functional prototype Advanced Radioisotope Identifier System (ARIS) is scheduled with police, fire and bomb squads the last week of July, 2005.

Explosives Detection:

Railroad Passenger and Baggage Screening System: The initial designs are complete and prototypes are being fabricated for delivery in November, 2005. The designs will address screening at exterior, fixed locations with minimal environmental protection. The throughput for this system will allow up to 200 passengers and 400 bags per hour to be processed with a four person staff. This research and development project was funded through the TSWG.

Mass Transit Surveillance and Early Warning System: Software that recognizes anomalous behavior and detects abandoned luggage/parcels has been successfully developed and implemented on a commercial command and control center console. This project develops these algorithms specifically for transportation venues. Future plans include (1) installing a small-scale, dual-station prototype surveillance system at light rail stations to serve as a test bed for operational evaluations and further developments, including linking tunnel intrusion detection sensors for greater situational awareness; and (2) incorporating the software into an integrated control center/sensor system at a major AMTRAK transportation hub.

Virtual Patdown Using Radar (VIPUR) Hand Wand Detector: The first prototype of a hand wand device that will detect metallic, non-metallic, and explosives concealed on an individual has been fabricated and is currently undergoing laboratory testing and refinement. Three prototypes will be delivered for evaluation in November, 2005. The hand wand device uses miniaturized, low-power microwave radar and a COTS-derivative metal detector that will reliably detect concealed objects as the unit is manually scanned in close proximity to the person being searched. The Transportation Security Administration (TSA), United States Secret Service (USSS), Department of Energy (DOE), Department of Defense (DoD), and the Department of Justice/Bureau of Prisons (DOJ/BOP) are interested in VIPUR and will be involved in the assessment of the three prototypes.

Combined Quadrupole Resonance/X-Ray Inspection (QR-TRX) for Hand Baggage: A prototype system for X-ray inspection of hand-carried baggage that integrates quadrupole resonance (QR) capability for direct bulk detection of plastic explosives was designed and built. The X-ray system is TSA certified and includes threat-image projection capability. The system was demonstrated for the TSWG and DHS S&T Directorate representatives in July, 2005. The prototype will be delivered for evaluation to the TSA Transportation Security Laboratory in Atlantic City, NJ.

Pressure-Activated Wand Sampler for Explosives Trace Detection: The initial prototypes were delivered. Manufacturer testing indicates that sampling performance of prototypes is consistent and equal to the best manual sampling technique. The Pressure Activated Wand System (PAWS) prototypes completed two different laboratory tests in the 4QFY05 and 1QFY06. The advanced

prototypes, based on the test results, are being fabricated and will be delivered in February 2006 for use by the Transportation Security Administration through the Transportation Security Lab.

Other Areas

Rapid Prototyping: Public Safety and Security Institute for Technology (PSITEC) - An integrated project plan to address baseline content and functionality for the Rapid Prototyping Portal was developed(March/April 2005). User and Subject Matter Expert (SME) Groups were organized to identify and validate the initial content, taxonomy, and site layout that will be included in Version 1 of the portal. Discrete data elements were identified as candidates for Version 1 of the portal in June and July, 2005. The system is currently in certification and accreditation phase prior to public release which is expected in July 2006.

Heat Stress Calculator: The heat stress calculator prototype was delivered, evaluated, and validated to provide a risk-balanced estimate of "safe stay time" for first responders using personal protective equipment in emergency situations. Version 1 software is available for purchase.

Expedient Tactical Rebreather: Successfully complete the design and production of the first 10 prototypes of the Tactical Rebreather (TACR). The system is light-weight (less than 20 lbs), low-cost, rapidly donnable, low-profile, and compatible with existing full-face masks with standard North Atlantic Treaty Organization (NATO) interfaces. System testing is ongoing with end-user evaluations. The initial evaluation was conducted at the Houston Police Department. Interest from end users including Federal Protection Service (FPS), Federal Bureau of Investigation (FBI), USSS, United States Marshals Service (USMS), other Federal, State and local Law Enforcement Agencies, fire fighters, urban and rural rescue teams and industrial First Responders is high.

FY 2006 Plan:

In FY 2006, the Rapid Prototyping portfolio will transition mature programs from the development phase to operational testing and evaluation programs and commercial or government entities for deployment. The portfolio will also identify new technology candidates and capabilities to meet the existing and emergent technical requirements of the Department.

Rapid Technology Application Program

Rapid Technology Application Program: RTAP will receive interim prototypes and other results [articles for destructive or field testing, test plans, preliminary or final design reviews, results of preliminary tests, software specifications, etc.) for 16 FY 2005 projects and generate new Rapid Prototyping needs from DHS customers and emergency responders for the FY 2006 round of the annual RTAP cycle.

Emergency Responders

Emergency Responder Tracking and Monitoring System: Development is underway in the Rapid Prototyping portfolio on technologies that will enable response coordinators to locate, track, monitor, and communicate with emergency responders in structures. In FY 2006, development of this system will focus on capabilities to monitor vital signs and environmental working conditions; communicate data, video, and alarms to and from the responders to command posts outside the structure; dynamically map the interior of the structure, and locate casualties in the structure. The system will utilize advanced technology receivers and advanced electromagnetic techniques coupled with a multi-spectrum radio frequency (RF) transmission approach and commercial off-the-shelf (COTS) components.

Support to State and Local Responders: The portfolio will complete the development of projects initiated in FY 2005, and test and evaluate the products from these projects.

Rapid Prototyping Support to Federal DHS Missions: The portfolio will complete the development of projects initiated in FY 2005, and test and evaluate the products from these projects.

Other Areas
Rapid Prototyping: The Rapid Prototyping portfolio will continue to support the Technology Clearinghouse in FY 2006.

PPA: EMERGENT AND PROTOTYPICAL TECHNOLOGY (EPT) PORTFOLIO

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$0**
2006 Revised Enacted	-	-	**19,451**
2007 Adjustments to Base	-	-	19,451
2007 Current Services	-	-	**19,451**
2007 Program Change	-	-	-
2007 Request	-	-	**19,451**
Total Change 2006-2007	-	-	19,451

Science and Technology Directorate requests $19.4 million for this activity. This is a new portfolio combines the former Emerging Threat and Rapid Prototyping portfolios. In total, this a decrease of $23.1 million below the FY 2006.

Mission Description and Justification:
The Emergent and Prototypical Technology (EPT) portfolio has two distinct programs:

- Emerging Threats: The discovery, analysis, and development of rapid prototypical solutions for unanticipated or newly emerging threats.
- Technology Clearinghouse: The development of knowledge-based services designed to provide both access and distribution of information and services relevant to public safety technologies through a technology clearing house.

The Emergent and Prototypical Technology (EPT) portfolio is consolidation of two previously distinct portfolios, Emerging Threats and Rapid Prototyping.

Emerging Threats Program: The objective of the Emerging Threats Program is to proactively anticipate and counter new technology-enabled threats. This program takes seriously the encouragement to use imagination to think "out of the box" in anticipating potential terrorist threats. It will anticipate and define potential threats arising from new scientific and technological advances or from terrorists using existing capabilities in new or unexpected ways and it will jump-start countermeasures capabilities development. High priority is placed on developing the capability to use innovative crosscutting approaches to anticipating and responding to new and emerging threats will permit us to develop capabilities to thwart them before they are used.

The Emerging Threats Program is based on a four-phase process that will either counter or bound the potential threat.

- Phase I: Discovery. A discovery process develops candidate threats and threat scenarios. The primary discovery process is a red-teaming or gaming technique successfully developed by the intelligence community, adapted for use in homeland security. Here the capabilities and skills of known or assumed terrorist organizations are given to a red team to discover hitherto unknown or unappreciated threat scenarios. In addition to this gaming process, emerging threats may be identified through intelligence or analysis of events (including non-terrorist events of potentially national significance).
- Phase II: Analysis. Following the discovery phase, the program conducts an analysis of the potential threat to understand our vulnerability to such an attack, the potential consequences, ease of attack and countermeasure alternatives.
- Phase III: Tests. This phase, which is not always required, conducts one or more tests to gather empirical data on the effects or ease of implementation of the threat scenario. These are not solutions, but tests to understand the viability or ease of the attack. They may range from understanding the physical or engineering aspects of a critical link in the scenario to rehearsing a mock-up attack.
- Phase IV: Potential Solution. In this phase a rapid solution is designed and developed to either thwart or disrupt such an attack. The solution may be material (such as a prototype article or software) or doctrinal (such as a change in operating procedures). In some cases solutions may either be intractable or require considerable investment. In the latter case, if the risk warrants, a separate program under the appropriate portfolio would be initiated.

Using a tightly coupled process, the portfolio's goal is to go from discovery of the threat in Phase I to potential solution in Phase IV in less than eighteen months. Because these threats are as yet unanticipated in the open literature, the Emerging Threats Program will be conducted in the classified mode.

Technology Clearinghouse Program: The Technology Clearinghouse Program addresses the Directorate's mission to conduct, stimulate and enable research, development, test, evaluation and timely transition of homeland security capabilities to Federal, State and local operational end-users. Accelerating the timeline for development and commercialization of relevant technologies will allow the Science and Technology Directorate to ensure that operational end-users are equipped with the most advanced technologies available. The Emergent and Prototypical Technology Portfolio will seek to transition two types of technologies. The first include technologies already in existence that requires modification to address an immediate or emergent threat. These technologies will undergo a rapid re-engineering process and then be transitioned to the private sector or deployed by government entities on an accelerated schedule to provide defensive countermeasures or response capabilities when needed. The second category is comprised of technologies that have reached a level of functional maturity to make them candidates for accelerated development. These technology opportunities will undergo operational testing and pilot deployment to determine their ultimate applicability.

Relevant R&D is underway at other agencies and organizations; thus, partnerships in this area hold greats potential for synergistic focus on homeland security. Work is conducted in partnership as appropriate with the DOE, DoD, DHHS, DOJ, USDA, and IC.

FY 2007 Plan

Emerging Threats Program: The Emerging Threats Program initiatives begun in FY 2006 will continue through the development of countermeasures. Using the four phase process described above, the Emerging Threats Program will initiate new efforts in the discovery and assessment of threats with an emphasis on: (1) significant multi-vector economic threats, (2) threats which may attempt at psychological or political intimidation, and (3) novel threats against international trade and commerce. Other (or alternate high priority) topics will be identified during FY 2006 in consultation with other DHS and government agencies.

Future Capabilities Research and Development: Conduct high-risk, high-payoff basic technology research in areas relevant to homeland security and assess the exploitation of technology development opportunities as they arise.

Rapid Technology Application Program: RTAP will receive final prototypes for remaining FY 2005 projects and complete them. If funding permits, RTAP projects identified in a FY 2006 requirements solicitation will be initiated in FY 2007. New Rapid Prototyping needs will be generated by DHS customers and emergency responders for the FY 2007 annual RTAP cycle.

Technology Clearinghouse: The Emergent and Prototypical Technology Portfolio will continue to support the Technology Clearinghouse in FY 2007. Development plans include: adding procurement decision support tools and advanced search mechanisms; expanding content to include topics such as public health information; forming communities of interest and professional discussion boards; and establishing a technology transfer community database.

PPA: COUNTER MANPADS

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$51,820**
2006 Revised Enacted	-	-	**108,900**
2007 Adjustments to Base	-	-	(104,020)
2007 Current Services	-	-	**4,880**
2007 Program Change	-	-	-
2007 Request	-	-	**4,880**
Total Change 2006-2007	-	-	(104,020)

Science and Technology Directorate requests $4.9 million for this activity. This is a decrease of $104 million below FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The Counter-MANPADS Program focuses on demonstrating the viability, economic costs, and effectiveness of adapting existing military technology to protect commercial aircraft from the threat of Man Portable Air Defense Systems (MANPADS). Its goal is to demonstrate and evaluate the migration of existing technologies to the commercial airline industry, not to develop new technologies. Suitable countermeasure systems must have minimal impact on air carrier and airport operations, maintenance, and support activities, and this means that existing systems must be re-engineered both to meet commercial air carrier operation requirements and to protect critical military technology. The Program balances cost, schedule, and performance with the needs and requirements of its aviation community stakeholders. On completion

of a two-phase course (analysis followed by prototyping and testing), DHS will provide the Administration and Congress with options for defending commercial aircraft against shoulder-fired missiles.

To adapt the underlying military technology to commercial standards, validate system effectiveness and suitability in an operational environment, and develop and implement a comprehensive approach to technology protection, a follow-on Phase III has been planned. Phase III will include delivery and installation of pre-production Counter-MANPADS equipment on commercial aircraft operated by U.S. cargo carriers similar to those aircraft dedicated to meet Civil Reserve Air Fleet (CRAF) requirements. This will integrate a limited number of systems on multiple airframes in actual revenue service across the different carriers for the purpose of operational testing and evaluation, data collection, and the certification of a number of different aircraft types.

FY 2005 Accomplishments:

System Development and Demonstration (SD&D), Phase II: The Counter-MANPADS System Program Office (SPO) conducted and completed Critical Design Reviews for two contractors' prototypes. Both contractors provided the government technical data package that fully documents their design, operations and support concepts, as well as their predicted Life Cycle Cost (LCC) models. The contractors initiated Federal Aviation Administration (FAA) Airworthiness Supplemental Type Certification (STC) for three different aircraft being modified in Phase II. This extensive and rigorous certification process is mandatory to comply with the legal requirements of 49 U.S.C. 40101 and the requirements of the Federal Aviation Regulations. (The STC will document that the aircraft as modified with the Counter-MANPADS system meets all FAA standards governing design, materials, and aircraft performance required for continued safety of flight for civil aircraft in commercial operation.) The contractors began extensive development testing to verify environmental qualification of the hardware at the component and subsystem level. They conducted laser sub-system testing at the U.S. Air Force Electronic Warfare Environmental Simulator (AFEWES) at Fort Worth, Texas, to validate critical software against specific MANPADS threats. Both contractors fabricated and integrated prototypes of their system designs, hardware and software, and tested them at their corporate integration laboratories to verify that their designs meet the DHS operational requirements. The prototypes were then integrated with the planned airframes and the contractors performed on-board ground and flight testing to verify system performance and verify continued airworthiness of the aircraft with the countermeasure system installed.

The S&T Directorate established a hardware-in-the-loop (HWIL) test capability at the U.S. Air Force Guided Weapons Evaluation Facility at Eglin Air Force Base in Florida, to conduct independent government ground testing of the countermeasure system. The HWIL provides the capability to test the interaction and performance of actual counter-MANPADS laser hardware and software against real threat missile seekers in a ground environment. These HWIL tests provide the backbone of the system performance assessment because they can be repeated many times to provide a statistical data base of system performance against multiple threats and engagement geometries. HWIL facilities began component and sub-system testing to verify performance of critical sub-systems prior to the planned on-aircraft government operational testing. The SPO has conducted extensive planning with both the prime contractors and the Department of Defense (DoD) range facilities to prepare for the planned government flight testing in FY 2006. The Master Test and Evaluation Plan (MTEP) was updated and the Detailed Test planning process was initiated.

The S&T Directorate intra-agency support for the Counter-MANPADS program extensively—its partners included the FAA, Transportation Security Administration (TSA), Department of State (DoS), Federal Bureau of Investigation (FBI), National Aeronautics and Space Administration (NASA) and DoD. The FAA is supporting the development of concepts of operation and system design requirements for flight safety, maintenance, and operations issues for the National Airspace System, as well as managing the aircraft airworthiness flight certification process. DoS is supporting the Arms Export Control Act compliance and technology protection aspects of the program.

Report SD&D findings: The S&T Directorate provided an interim report to Congress on the status and preliminary findings and trends through December 2004.

FY 2006 Plan:

System Development and Demonstration (SD&D), Phase II: In FY 2006, Phase II will be completed. Prototype countermeasure equipment will be integrated on three commercial aircraft, and flight tests will be accomplished with extensive data collection and analysis. Each contractor will deliver two complete countermeasure systems and the related FAA Supplemental Type Certificates to certify the airworthiness of the aircraft with the countermeasure system installed. The Prime Contractors will conduct developmental testing to qualify the design for commercial flight and to verify the countermeasure system performance. Using DoD test facilities and ranges, DHS will test both the prime contractors' systems to provide an independent assessment of the performance of both systems. Phase II will be completed in Q3 2006.

Report SD&D findings: The S&T Directorate will report the Program's findings in January 2006 to the Administration and Congress to aid them in making an informed decision to address protection of commercial airlines from the threat of MANPADS.

SD&D, Phase II was funded using FY 2005-appropriated funds.

System SD&D, Phase III: The Counter-MANPADS Program will initiate Phase III with FY 2006 funding. The Phase III effort will include delivery and installation of pre-production Counter-MANPADS equipment on commercial aircraft operated by U.S. cargo carriers similar to those aircraft dedicated to meet the CRAF requirement. The current DHS plan is to maintain two contractors in Phase III to preserve competition for future deployment options. Phase II designs will be updated to incorporate new design requirements including reliability improvements, technology protection, and emergency ground notification enhancements. Operational testing and evaluation will be performed on multiple aircraft types to capture true operational and maintenance costs as well as technical performance and reliability data. Six to ten Counter-MANPADS systems will be procured to support reliability and test data collection as well as critical technology protection measures. This information is critical to further maturing the life cycle cost impact analysis for the airlines. The extensive reliability analysis will be used to validate and improve system reliability to the 3,000 hour level or above. Dialogue with Original Equipment Manufacturers (OEM) such as Boeing and Airbus will be continued and studies conducted to scope the effort required to include provisions for Counter-MANPADS systems on future production aircraft. Additionally, live fire test evaluations will be conducted to provide insight into the overall effectiveness of the system installed on commercial aircraft. Finally, FAA certification will be completed for the Phase III aircraft types.

FY 2007 Plan:
The Counter-MANPADS Program will continue Phase III in FY 2007. The commercial cargo aircraft modified to carry the Counter-MANPADS prototypes will be flown in normal revenue operations by two different cargo carriers. The SPO will monitor these aircraft to collect and analyze operation and maintenance data to measure the performance and reliability of the prototypes in field service. These data and analyses will be used to validate operational concepts, system performance, and reliability predictions in order to assess operational suitability across multiple aircraft types and different airlines. The goal is to improve system reliability performance from 1,100 to 3,000 plus hours of mean-time-before-failure, critical to reducing the airlines' cost risk. Additionally during Phase III, the SPO will test and validate the Counter-MANPADS emergency notification system with the FAA, DHS, and the FBI. This will demonstrate the communication technology and network from aircraft to the ground if a MANPADS event occurs. Lastly, during Phase III the Counter-MANPADS contractors will implement security designs to protect sensitive military technology onboard the aircraft in order to minimize the risk of exploitation, to comply with International Traffic in Arms Regulation and the Arms Export Control Act, and to reduce potential security costs to the airlines.

PPA: SAFETY ACT

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$1,061**
2006 Revised Enacted	-	-	**6,930**
2007 Adjustments to Base	-	-	(2,220)
2007 Current Services	-	-	**4,710**
2007 Program Change	-	-	-
2007 Request	-	-	**4,710**
Total Change 2006-2007	-	-	(2,220)

Science and Technology Directorate requests $4.7 million for this activity. This is a decrease of $2.2 million below FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The Office of SAFETY Act Implementation evaluates technologies in accordance with criteria set forth in the Support Anti-terrorism by Fostering Effective Technologies Act (SAFETY Act) of 2002 and Interim Regulations. As part of the Homeland Security Act of 2002, Public Law 107-296, Congress enacted the SAFETY Act to provide "risk management" and "litigation management" protections for sellers of qualified anti-terrorism technologies. The Act's purpose is to encourage development and deployment of anti-terrorism technologies (ATT), particularly those aimed at preventing, detecting, identifying, or deterring acts of terrorism, or to limiting the harm that such acts might otherwise cause. The SAFETY Act creates certain liability limitations for "claims arising out of, relating to, or resulting from an act of terrorism" where qualified anti-terrorism technologies have been deployed.

The Office's evaluations are designed to advise the DHS on whether to grant SAFETY Act protections to technologies that applicants submit. In order to stimulate the development and adoption of valuable new technologies, the Office seeks to raise public awareness of the benefits of the protections available under the SAFETY Act. The Office also coordinates with other DHS elements and other Federal agencies to support those offices' missions and minimize the burden on applicants for SAFETY Act

protection. This crucial advance coordination regularly occurs in cases where the SAFETY ACT plays an important role in a pending Federal procurement.

FY 2005 Accomplishments:
The Department has drafted a revised Interim Rule based on operational experience and feedback from the public, industry, and Congress. The revised Rule is in internal review and will be released for public comment once finalized. We have prepared a revised application kit, easier to use and understand, with examples to assist applicants. On December 13, 2004, a 60-day Paperwork Reduction Act notice for the final version of the new kit was published in the Federal Register. This notice solicited comments regarding the amount of time it would take to complete the new application kit. The Department also received comments concerning the kit's content, which it is taking into consideration. The final 30-day comment period will coincide with the release of the Interim Rule. On May 18, 2005, the Office of SAFETY Act Implementation completed its Certification and Accreditation process and was grated full Authority to Operate the SAFETY Act website and IT system. Since the beginning of 2005, we have participated in or made SAFETY Act presentations to more than two dozen diverse audiences including representatives from industry, small businesses, insurance and risk management, and attorneys. As of July 15, 2005, the program has processed more than 220 pre-applications and 111 full applications. SAFETY Act Designation and Certification have been granted to 17 applicants, 8 have received Designation only.

FY 2006 Plan:
In 2006, the Office of SAFETY Act Implementation will expand its coordination of the program with pending Federal, State and local procurements. We plan to work with recognized procurement organizations and appropriate industry associations to educate them on the availability of SAFETY Act protections to potential vendors. We will begin to provide procurement and acquisition officers with timely input as to whether a specific Request for Proposals (RFP) could be considered for SAFETY Act protections. This input will include appropriate language to be inserted in the RFP either advising respondents how to apply for protections, or notifying them that SAFETY Act protections are not appropriate for this procurement. In FY 2006, the Office also intends to encourage small business applications. Since the establishment of an insurance requirement is an integral part of the award of SAFETY Act benefits, the Office also intends to begin an outreach to appropriate insurance underwriters to familiarize them with the program.

FY 2007 Plan:
In 2007, the Office of SAFETY Act Implementation plans to continue to align the SAFETY Act process with the Federal procurement system to (1) reduce submission of contingent contracts by offerors, (2) streamline the application process for similar or identical technologies containing the same basic scientific principles (such as CAT scans or x-ray systems), and (3) identify, in advance of Requests for Proposals, appropriate anti-terrorism technologies that will be considered for, or entitled to, SAFETY Act protections. We plan to implement a remote evaluation process using subject matter experts. This process will be more cost efficient and allow for more effective processing of applications. We will continue outreach initiatives to foster support for the program and encourage industry participation, particularly by small businesses. Finally, an independent assessment the Office's performance will focus on processing of applications, the impact of outreach programs, and the appropriateness of the standards of review.

PPA: OFFICE FOR INTEROPERABILITY AND COMPATIBILITY

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$6,744**
2006 Revised Enacted	-	-	**26,235**
2007 Adjustments to Base	-	-	3,500
2007 Current Services	-	-	**29,735**
2007 Program Change	-	-	-
2007 Request	-	-	**29,735**
Total Change 2006-2007	-	-	3,500

Science and Technology Directorate requests $29.7 million for this activity. This is an increase of $3.5million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: the Office for Interoperability and Compatibility (OIC)'s mission is to strengthen and integrate interoperability and compatibility efforts that improve local, tribal, State, and Federal public safety preparedness and response. Non-interoperable, incompatible equipment and a lack of standardized operating procedures have plagued the public safety community for decades. Often public safety agencies cannot perform mission-critical duties because they cannot effectively cooperate with other agencies or operate in other jurisdictions. By coordinating and leveraging the Department's interoperability programs and related efforts, OIC reduces unnecessary duplication of effort, identifies and promotes best practices, and coordinates activities related to interoperability. OIC is housed within the Science and Technology Directorate's Office of Systems Engineering and Development.

OIC manages programs to address interoperability and compatibility for public safety providers and the larger homeland security community. Initial program areas include:

- Communications (including SAFECOM and Disaster Management programs)
- Equipment
- Training
- Other programs (including the Risk Assessment Policy Group)

FY 2005 Accomplishments:
OIC received $21 million in the FY 2005 DHS appropriation for communications activities. In addition to appropriated funding, OIC's SAFECOM Program received $8.5 million from Federal partner agencies as part of the E-Government Initiative to focus on standards and architecture development and Federal coordination efforts. SAFECOM is a communications program that provides research, development, testing and evaluation, guidance, tools, and templates on communications-related issues to local, State, and Federal public safety agencies. Through the SAFECOM Program, OIC successfully accomplished the following in FY 2005:

Communications
Regional Communications Interoperability Pilot (RCIP) Projects: The Intelligence Reform and Terrorism Prevention Act of 2004 authorized OIC to carry out at least two RCIP Projects, and it has

done so in the State of Nevada and the Commonwealth of Kentucky. Both pilots focus on developing models for improved communications and interoperability to address the challenges faced nationwide.

OIC is leveraging the lessons learned from the Commonwealth of Virginia's Statewide Communications Interoperability Planning methodology in FY 2004 to develop practitioner-based statewide plans. As part of each RCIP, SAFECOM is assisting a high-risk urban region within the State with recommendations for implementing key urban area interoperability requirements. OIC completed an Interim Report for Congress on the RCIP projects which detailed the process, framework, and approach that it is using to help Nevada and Kentucky develop comprehensive plans to improve regional and statewide communications. OIC has completed its recommendations to Nevada's statewide communications plan and contributed to Kentucky's strategic planning process for developing its strategic communications plan. The Kentucky plan will be submitted to the Commonwealth by mid-February.

Grant Guidance: SAFECOM's coordinated grant guidance was developed with input from the public safety community. It outlines eligibility for grants, the purposes for which grants may be used, and guidelines for implementing a wireless communication system. The FY 2005 SAFECOM Grant Guidance, which must be incorporated in all Federal grant programs touching on interoperability, was incorporated into the Office of Domestic Preparedness (ODP) grant process as well as the Department of Justice's Office of Community Oriented Policing Services (COPS) interoperability grant process.

Statewide Communications Interoperability Planning (SCIP) Methodology: SAFECOM and the Commonwealth of Virginia developed a strategic plan for improving statewide interoperable communications for the State. Based upon lessons learned from the Virginia planning process, SAFECOM published the SCIP methodology, which describes a step-by-step process for developing a locally-driven statewide strategic plan for enhancing communications interoperability.

Public Safety Architecture Framework (PSAF) and Gap Analysis: The SAFECOM process for identifying and developing standards began with the Public Safety Statement of Requirements. Continuing from that work, SAFECOM has developed the PSAF. This outlines a structured approach for identifying where interface standards should develop to achieve interoperability. In short, the PSAF provides the rules and methodology for developing and presenting architecture descriptions. The SAFECOM Program has developed the PSAF with a supporting tool that will allow local and State public safety agencies to identify shortfalls in interoperability and determine the most appropriate solutions. For Federal program managers who are responsible for communications and information sharing standards, the PSAF will highlight gaps in technology and point to areas requiring standardization. In April 2005, a draft of Volumes I and II of the PSAF was completed. Volumes I and II outline the PSAF methodology and will facilitate the development of the supporting tool.

Interoperability Baseline Study: The National Interoperability Baseline will provide a quantitative assessment of the capacity for public safety interoperable communications across the Nation and will:

- assess current interoperable communications capabilities in public safety agencies across the country;
- measure the maturity of essential supporting interoperability elements (including operational, governance, and technical considerations);
- offer a yardstick to identify performance or capability gaps in order to direct Federal investments; and

- serves as an integrated component of SAFECOM's approach to interoperability.

In September 2005, the baseline survey tool questions were finalized, and they are currently posted to the Federal Register for public comment. Upon approval from the Office of Management and Budget, the survey will be administered in Q1 FY 2006.

Accelerating Standards: OIC delivered a report to Congress in July 2005 on *Accelerating National Voluntary Consensus Standards for Public Safety Interoperable Communications* in accordance with the Intelligence Reform and Terrorism Prevention Act of 2004. The report details OIC's approach to accelerating voluntary consensus standards, what we will achieve through this approach, the long-term vision guiding this approach, its key short-term milestones, and the specific initiatives currently underway.

Narrowbanding: OIC delivered a report to Congress on *Narrowbanding* in accordance with the Department of Homeland Security Appropriations Committee Report of 2004. The report provides background information on narrowbanding initiatives, regulatory actions, and spectrum usage. It also offers an overview of public safety technologies and analyzes the impact of narrowbanding on technologies used in the UHF/VHF bands.

Equipment

Equipment Compatibility Program (ECP): ECP was established to address the equipment compatibility and interoperability priority area. Formerly referred to as the Joint Evaluation and Testing (JET) Program, ECP now addresses all aspects of equipment compatibility and interoperability, with testing and evaluation being only one component of the program. ECP works with the public safety equipment industry to identify opportunities to improve equipment interoperability and compatibility. ECP will work closely with the National Institute of Standards and Technology (NIST) to identify and define potential equipment standards.

To date, ECP has performed a stakeholder analysis and is working closely with NIST to define and implement a program governance structure. Moving forward, OIC will work with appropriate stakeholders to identify and prioritize equipment interoperability and compatibility issues and begin engaging the necessary resources to design solutions for the identified issues.

Tech Transfer: OIC developed partnerships with the Department of Defense (DoD) and Department of Justice (DOJ) in support of the DoD's 1401 Program for developing and transferring technologies from the military to first responders. OIC assisted in the evaluation of more than 700 candidate technologies to be transferred and created a Technology Scorecard and Evaluation Criteria to assist in the evaluation and prioritization of DoD technologies. In August 2005, OIC hosted a Practitioner Validation and Review meeting, bringing in practitioners and first responders from across the country to provide input on five DoD technologies selected for possible transfer to civilian use.

Training

OIC conducted extensive research on existing public safety training programs and developed a report summarizing the results of the research and outlining recommendations moving forward. The research determined that the public safety training environment is fragmented, lacks enforced standards, and requires inter-agency and intra-agency collaboration. The following are the key recommendations of the report:

- further develop and validate data on existing training programs;
- convene a steering committee comprised of representatives from across practitioner communities and local, State, and Federal agencies;
- form alliances with local, State, and Federal partners;
- gain leadership commitment across local, State, and Federal partners; and
- drive training standards.

Other OIC areas

Risk Assessment Policy (RAP) Group: In January 2005, risk assessment and risk management stakeholders from S&T (including the Office of Research and Development, the Emergency Preparedness and Response and Critical Infrastructure Protection portfolios), the Office of State and Local Government Coordination and Preparedness, and the Information Analysis and Infrastructure Protection Directorate) asked OIC to facilitate a workshop to begin to develop a standardized approach to risk assessment. Twenty-seven risk assessment stakeholders from the Department attended the workshop. From this workshop the RAP Group was established to address issues or discrepancies regarding risk assessment. It has since developed a unified strategy for improving risk assessment interoperability within the Department. OIC is currently working with the RAP Group to implement this strategy in support of risk assessment interoperability and compatibility across the Department.

FY 2006 Plan:

In FY 2006, the President's Budget requested $20.5 million in funding for OIC. Congress increased this level to $26.5 through the Homeland Security Appropriations Act. With $26.5 million, OIC will further develop Training and Equipment Programs, as well as continue existing communication interoperability efforts through the SAFECOM Program.

Through the SAFECOM Program, OIC will continue communications interoperability efforts and activities related to standards and architecture development. It will continue to coordinate Federal interoperability and communications efforts. It will continue to develop models and templates through piloting and demonstrations, and it will offer technical assistance to the public safety community. The level of funding requested in FY 2006 for OIC is a $3 million reduction from the level of funding provided for the SAFECOM Program in previous years. As such, the communications interoperability activities offered through the SAFECOM Program will be curtailed in order to plan for and the continued development of OIC's Equipment and Training program areas and to sustain Risk Assessment coordination activities.

FY 2007 Plan:

OIC will continue to focus primarily on continued communications interoperability efforts while it initiates projects for equipment and training interoperability and compatibility and continuing risk assessment coordination efforts.

OIC's activities will have four phases: Interoperability Standards; Research, Development, Testing and Evaluation (RDT&E); Federal Coordination; and Technical Assistance. The phases mutually support one another and work concurrently to achieve the OIC mission. They are further described below.

Interoperability Standards

The strategy for standards and architecture centers on development of an architecture framework that satisfies the real-world requirements of public safety responders and outlines what the overall

structured approach is for facilitating interoperability. Functional standards then define the details of the structure and indicate how the architecture and its components will operate. The development of this framework will enable OIC to identify existing standards that can be used to improve interoperability and relate operational, system, and technical requirements.

Statement of Requirements (SoR): Driven by public safety practitioners, the SoR outlines future requirements for public safety communications. The objective is to encourage industry to align their research and development efforts around public safety needs. The SoR, as a common set of practitioner-supported requirements, promotes standards that increase interoperability and compatibility among products different vendors offer. Version 2.0 of the SoR, which will be released no earlier than Q3 FY 2006, will continue to quantify the public safety communication requirements. Revisions and updates of the SoR will continue to include input from public safety practitioners and organizations at all levels of government. Quantitative requirement recommended by industry will be evaluated by SAFECOM and public safety as future versions of the SoR are developed.

Architecture Framework: The architecture framework is a strategic effort that requires revision and continuous updating as new technologies and public safety requirements are identified. The architecture framework will serve as the basis for research and development and standards planning and requires modification as the SoR is updated and revised.

Gap Analysis: OIC will use the information from the updated SoR and PSAF for two purposes: (1) to perform a gap analysis identifying where standards need to be developed for each program area and (2) to create and distribute tools to allow local and State practitioners to assess gaps within their jurisdictions and regions. As updates and revisions to the SoR and PSAF are identified, SAFECOM will conduct additional standards gap analysis against a key land mobile radio suite of standards, specifically Project 25 (P25). The critical P25 interfaces specified will be targeted for accelerated standards development.

Accelerate and Develop Standards: OIC will facilitate new standards for technologies and operating procedures—including those affecting communications, data sharing, and incident response equipment. Where standards already exist, OIC will coordinate with other standards-developing organizations to ensure that the requirements of the public safety community are represented.

Where standards are absent, public safety agencies are often limited to a single vendor, face large system migration costs, and must upgrade on a vendor's schedule instead of their own. Without standards, agencies are often not permitted to mix and match different vendors' equipment to produce the system that best meets their needs. Consequently, standards that promote uniformity across vendor requirements and increase levels of interoperability and compatibility will generate cost savings for local and State governments. Moreover, the development of these standards is critical to life-saving and property-saving efforts as incompatibility of procedures and technologies has proven to be deadly in incident responses involving casualties.

SAFECOM will continue to partner with the appropriate standards-defining organizations, agencies, and committees to identify, complete, and validate select standards that are core to the technical architecture. Certain standards efforts are currently underway and SAFECOM will engage those committees to assist in accelerating standards development. For example SAFECOM in collaboration with NIST, will continue to support public safety and industry accelerate P25 standards for interoperable communications. SAFECOM will also assist Project MESA, a joint effort of

Telecommunications Industry Association and the European Telecommunications Standards Institute, to develop specifications for broadband digital radio standards. SAFECOM will also identify new standards efforts critical to the completion of the technical architecture, such as specifications for Voice-over–Internet-Protocol (VOIP) networks.

RDT&E

Research and Demonstrations: OIC will support two demonstration projects that apply innovative technologies to improve interoperability and compatibility for public safety in real world environments. These will yield models, templates, and best practices to benefit all public safety responders.

Testing and Evaluation (T&E) for New Technologies: OIC will facilitate testing and evaluating of technologies and programs to ensure that they meet industry standards and practitioner requirements. OIC's efforts will result in short-term and long-term cost saving among all levels of government and industry by coordinating existing T&E efforts and promoting standard methodologies that yield consistent and comparable results.

Through its relationship with NIST's Office of Law Enforcement Standards (OLES), SAFECOM will support the lab testing of these technologies. Based on the State and type of technology tested, SAFECOM and OLES may conduct simple validation of manufacturer's claims, review of the effectiveness of the proposed technology based on available test data, laboratory trials of the technology, or full-scale statistical validation of product specifications. OLES will provide technical test and evaluation reports for each product or technology evaluated, and SAFECOM will make these available to the public safety community.

Federal Coordination

OIC will coordinate with other Federal programs involved in interoperability and compatibility to deliver support to local, tribal, and State public safety agencies that is consistent with the emerging architecture framework and interface standards.

Governance: OIC will continue to support the SAFECOM Program's governance structure, largely comprised of local and State representation. SAFECOM will continue to hold meetings of each governance body, the Executive Committee and the Advisory Group, and consider the recommendations in its strategic planning effort to solve communications interoperability problems among the Nation's first responders.

Grant Coordination: OIC will update coordinated grant guidance to maximize the efficiency with which public safety communications-related grant dollars are allocated and spent and will provide consistent directions, coordinated applications processes, and similar requirements across grant programs. SAFECOM will continue to coordinate this effort with ODP in providing grant guidance to Urban Area Security Initiative grant recipients as well as the DOJ's COPS grant awards.

Technical Assistance

OIC will develop models, tools, and templates based on best practices and lessons learned in all areas of the Interoperability Continuum. These resources will be easily applied to public safety agencies across the Nation.

Pilots: OIC will conduct additional pilot and demonstration projects in operational environments at the local, State and Federal levels. These will identify common criteria, tools, and methodologies to improve interoperability and compatibility. These projects will address all areas indicated in the Interoperability Continuum. Pilot programs focus on operational issues such as improving concepts of operations and developing governance structures to ensure interagency, cross-jurisdictional, cross-disciplinary partnerships are created and sustained to facilitate the sharing of knowledge and resources.

As the RapidCom initiative demonstrated, these pilots provide real-world case studies where the findings are translated into common criteria, tools, and methodologies. The RapidCom initiative improved capabilities for immediate, incident-level, interoperable emergency communications in 10 high-threat urban areas. These common criteria, tools, and methodologies address many of the operational issues that have hampered interoperability and compatibility in the past. Without proven operational methodologies, many investments in technology and equipment are wasted because they do not support an interoperable and compatible environment.

SAFECOM will also expand the RapidCom initiative out of funding set aside by Congress in the Homeland Security Appropriations Act.

Portal: OIC will continue to develop and maintain an Internet portal for public safety in conjunction with the Science and Technology Directorate's Public Safety and Security Institute for Technology initiative that will serve as a location for the exchange of public safety information.

PPA: CRITICAL INFRASTRUCTURE PROTECTION

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$65,313**
2006 Revised Enacted	-	-	**40,392**
2007 Adjustments to Base	-	-	(24,979)
2007 Current Services	-	-	**15,413**
2007 Program Change	-	-	-
2007 Request	-	-	**15,413**
Total Change 2006-2007	-	-	(24,979)

Science and Technology Directorate requests $15.4 million for this activity. This is a decrease of $25 million below FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The Critical Infrastructure Protection (CIP) Portfolio protects the Nation's critical infrastructure and key assets from acts of terrorism, natural disasters, and other emergencies by developing and deploying tools to anticipate, identify, and analyze risks, and systems to reduce those risks and the consequences of an event. Funded Research, Development, Test, and Evaluation (RDT&E) and required coordination efforts in this portfolio have been categorized into four programs: Modeling, Simulation, and Analysis; Protective Security Technologies; the Kentucky Critical Infrastructure Protection Institute (KCI); and development of the annual National CIP R&D Plan, as required by Homeland Security Presidential Directive (HSPD) - 7, "Critical Infrastructure Identification, Prioritization, and Protection." To accomplish this mission, the following objectives have been established:

- support the scientific prioritization of components and systems of critical infrastructure;

- reduce critical infrastructure homeland security risks by anticipating threats and reducing vulnerabilities and consequences of attacks;
- develop tools to better quantify consequences of an attack – specifically cascading effects and interdependencies;
- Meet critical infrastructure protection science and technology requirements from Department of Homeland Security (DHS) operational components including real-time science and technology support during an event; and
- Partner with other organizations to catalyze development of CIP technologies

FY 2005 Accomplishments:

Modeling, Simulation, and Analysis Program – The CIP Portfolio is developing a Decision Support System (DSS) focused on evaluating and prioritizing investment, protection, mitigation, response, and recovery strategies related to Critical Infrastructure Protection. This overarching system of models, identified as CIP-DSS, includes representation of the fundamental characteristics and processes of all 17 critical infrastructure sectors, identified in HSPD-7 and the *Interim National Infrastructure Protection Plan*. The models are being developed at two interlinked scales: National and Metropolitan / Regional.

CIP-DSS is the only system that focuses on properly analyzing and quantifying critical infrastructure interdependencies across all 17 sectors, simultaneously. This capability is essential for informing risk-based decisions regarding complex critical infrastructure at a systems level and anticipating time-dependent, cross-sector consequences in a consistent, unified framework. As a highly aggregated, executive level model, the CIP-DSS complements the more detailed sector-specific predictive models like those developed by the National Infrastructure Simulation and Analysis Center (NISAC) and other systems and risk analysis activities underway by other Federal agencies and in the private sector.

The CIP-DSS provides the capability to predict and understand the potential for cascading effects and to estimate the consequences of major disruptions using the five metrics identified in HSPD-7: human health and safety, economic costs, environmental impacts, national security, and public confidence. For the first time, this capability enables realistic and comprehensive prediction of the cross-sector effects of major disruptions in our Nation's critical infrastructures. Thus this capability is a powerful tool for identifying, evaluating and prioritizing mitigation, recovery, and reconstitution alternatives.

The CIP-DSS activities this year focused on further developing baseline capabilities and demonstrating the system's applicability to problems of importance to Homeland Security:

- We completed an initial assessment of the full-threat planning spectrum, including biological, chemical, physical assault, explosives, insiders, radiological and nuclear, and cyber threat scenarios. This assessment resulted in a spiral development plan for developing a full risk analysis capability for all critical infrastructures across a comprehensive spectrum of threats.
- We completed and demonstrated the capability to evaluate the tradeoffs between alternative protective measures for a broad range of biological and chemical threat scenarios. This capability includes estimation of consequences with integrated metropolitan and national scale infrastructure interdependency and economic models and the evaluation of those tradeoffs within a formal risk-informed decision analysis methodology. These capabilities are the first two components in developing appropriate representations of cascading events across the full threat spectrum.

- We completed and demonstrated the feasibility of conducting large scale Monte Carlo studies with these models to incorporate and quantify uncertainty in model inputs and analysis processes. This extends the decision methodology within CIP-DSS to support decision making under uncertainty.
- We completed and updated documentation of the model and decision analysis tools to include modeling assumptions, processes for and results of sensitivity analysis, and additional procedures for testing and evaluating results from the CIP-DSS.
- We supported and participated in major two DHS planning exercises: TOPOFF3 and the Senior Officials Exercise. During TOPOFF3, the modeling team demonstrated the capability to estimate disease progression rates in real time - 3 hours. Supported development of the September 2005 Senior Officials Exercise by analyzing the impacts resulting from a disruption in the air transportation system for different periods of time and consequent economic effects across all sectors. Results of such types of simulations help decision makers anticipate needs, improve response, recovery, and policy decisions, and, very importantly, highlight potential unexpected consequences.
- We defined a regional pilot program initiative with the Pacific Northwest Economic Region (PNWER; a multi-state, multi-nation, grass-roots organization with both public and private membership). Conducted a workshop with the PNWER Interdependency Working Group to define objectives, requirements, and boundaries for a pilot study of the region. Since final decisions about implementation of specific protective measures are often made at the State/local government level or within private industry, interactions with regional partnerships are a critical source of requirements and decision making processes for further development of CIP-DSS as well as a mechanism to build consensus on effective and unified strategies for critical infrastructure protection.

Protective Security Technologies – The CIP R&D Portfolio supports the operational branches of the Department of Homeland Security and through this support also leverages the activities of other Federal agencies, State and local officials, and private infrastructure sector owners and operators. This program develops an interoperable, scalable, and economically sustainable suite of protective security technologies for cross-sector and sector specific use. Identification of candidate technologies comes from multiple sources ranging from detailed studies by organizations such as the National Academies of Science to the DHS-hosted system of Government and Private Sector Coordinating Councils. This year's activities we:

- Directed and funded the National Academies of Science study on homeland security aspects of the Chemical Sector. This published study examined the public health, economic, and national security importance to the United States of key chemicals and chemical processes, supply chain vulnerability and the consequences of disruption, and mitigation alternatives. This study provides vital insight to DHS and will help identify and prioritize technological countermeasures for ensuring protection of the Chemical Sector.
- Published two reports, "Enhancing Private Security Office Surety" and "Mitigating Insider Threat" (Official Use Only) that identified technology aids that significantly close existing operational gaps, increase the accuracy, reduce the time, and reduce the cost for personnel background investigations for private security guards and insiders in sensitive positions. Because private security guards have access to the most sensitive areas of our critical infrastructure, guaranteeing their surety can add significantly to homeland security. These recommendations were developed from private industry recommendations, and presented and

discussed with Federal agency experts. The study will be delivered to Congress and interested State and local regulatory bodies.

- Funded three Research, Development, and Deployment proposals in automated scene understanding (using computer software to interpret the output from digital surveillance cameras in order to overcome the fatigue and reduced efficiency that results after 20 minutes of monitoring by people). These include detection of unattended packages and individuals who leave unattended packages in transportation environments (rail, airport, mass transit); persistent tracking of individuals across multiple cameras for surveillance of large segmented areas such as rail concourses and airports; automated threat detection in harbor and airport environments to detect threats to ships; and wide-area scanning for use on the Southwest border.
- Established the Process Control Systems Forum (PCSF) to develop new cross-industry guidelines, protocols and system architecture for provably secure, next-generation Supervisory Control and Data Acquisition (SCADA) and related types of process and distributed control systems. A coordinated approach to securing process control systems will improve the resiliency of the electrical, manufacturing, water, and other critical sectors heavily reliant on SCADA systems and that are vulnerable to terrorist attack. The PCSF, a group comprised of government and private industry stakeholders, owners, and operators, met for the first annual meeting in April 2005. To aid information sharing and communication efforts, a website was established to coordinate news and events for the forum (www.pcsforum.org). The first international standards coordination meeting was organized to discuss standards for the next generation secure SCADA architecture.
- Funded five Phase II Small Business Innovative Research (SBIR) proposals in control system security such as SCADA, distributed control systems, digital control systems, and process control systems. The research topics included advanced encryption, intelligent intrusion detection systems, location-based authentication, distributed cryptographic key management, and a toolkit for security verification of energy management communication systems.
- Completed development of software algorithms for a fast-running modeling and simulation prototype for use in preventing cascading blackouts in coordination with the Electric Power Research Institute (EPRI). This work has achieved increased importance since the cascading power blackouts that occurred in the northeast in August 2003.
- Completed two emerging threat studies, through the Homeland Security Institute, on Geospatial Positioning System (GPS) vulnerabilities and High-Powered Directed Energy Weapons. These studies provide foundation-building assessments of the actual versus perceived threats to critical infrastructures from directed energy sources.

The National CIP R&D Plan – As directed by Homeland Security Presidential Directive 7, the CIP R&D Portfolio, in coordination with the Office of Science and Technology Policy (OSTP), Executive Office of the President (EOP), develops an annual R&D Plan to support the Federal investments in CIP. The Portfolio:

- Issued the first annual National CIP R&D Plan, publicly released in April 2005 that addressed R&D priorities in protection and prevention, sensors and detectors, insider threats, social and behavioral issues, and future needs in modeling, analysis, and decision support, advanced architectures, effective recovery, and reconstitution.
- Held workshops with Federal program managers, government and university research providers, and private industry to obtain information on future research and development efforts in CIP for the 2005 National CIP R&D Plan.

- Obtained information for development of the 2005 Plan incorporating Federal agency activities, levels of effort for these activities, budgets, and a roadmap for future R&D deliverables. Drafted 2005 Plan for interagency review and comments.
- Supported development of the National Infrastructure Protection Plan (NIPP) and Sector Specific Plans (SSPs), especially with respect to the sector R&D plans appearing in Chapter 8. Held a workshop to engage NIPP and SSP writers in R&D discussions relevant to sector-specific needs.

Kentucky CIP Institute - The mission of the KCI is to organize and marshal the knowledge resources of Kentucky's universities and colleges to pursue research and development projects that support the Department of Homeland Security's ability to protect community-based critical infrastructure:

- In response to a detailed program announcement, over 50 proposals were received and reviewed in support of the KyCIPLab. The project selection for FY 2005 has been completed, and 11 projects have begun. These projects are in the areas of blast mitigation, biometrics, securing food sources, container security, command and control, and supply chain recovery.
- The KCI is currently performing 11 focused studies started under the FY 2004 funds in the following topic areas: Risk and Vulnerability Assessments; Emergency Response; Agricultural Monitoring; and Technology Evaluations to protect community-based critical infrastructure. The results of these studies will feed into existing and future CIP R&D plans and programs.

FY 2006 Plan:

Modeling, Simulation, and Analysis Program - The CIP-DSS activities in 2006 are focused on extending the functional modeling capability of the system as well as applying these spirally increasing analytical capabilities to problems of importance to Homeland Security.

- We intend to complete an expanded version of CIP-DSS that will offer a comprehensive capability to model radiological and nuclear, explosives, physical assault, cyber, insider, and natural disaster / accident scenarios. Demonstrate these increased capabilities by applying them in planning activities to support risk-informed decision making. Completing this full-threat spectrum in planning scenarios provides the foundation for a full risk analysis capability in CIP-DSS.
- We will complete the parameterization of the metropolitan-scale modeling capability and integrate it into the larger CIP-DSS framework. This will increase the ability to more rapidly apply the system to broad-spectrum questions and multiple-scale disruption or policy choice scenarios.
- We will integrate adversary-defender constraint and information dynamics models into the CIP-DSS modeling system. This will enable the system to more thoroughly and realistically represent adversary and defender roles, capabilities, and preferences for the spectrum of potential threat scenarios.
- We will complete the regional pilot application, addressing interdependencies, with the Pacific Northwest Economic Region Interdependency Working Group, and initiate a second planned regional application of CIP-DSS.
- We will support or participate in the development of exercise programs such as TOPOFF4, Senior Official Exercises, and other exercises as required by the DHS coordinating councils or exercise program offices.
- We will support DHS resource allocation and prioritization initiatives.

- Our outreach to a broad spectrum of infrastructure experts will continue to improve the sector characterizations, flow of interdependencies, and content of supporting databases. This collaborative development and broader exposure to the modeling process will also help build confidence in the analytical results and better formulate features of the threat scenarios through the synergistic interactions with additional infrastructure experts.
- We will form a Technical Review Panel to examine and guide technical aspects of the future development of CIP-DSS.

Protective Security Technologies

- We will publish the National Academy of Sciences Study on the future Electrical Transmission and Distribution (T&D) System in the U.S. This study examines approaches for reducing vulnerabilities, enhancing robustness, and increasing the resilience and ability to recover from attacks. The study will identify priority technology opportunities, R&D directions, policy and institutional actions, and strategies that will lead to more secure, resilient electrical T&D. In cooperation with DOE, this study will provide vital insight to DHS into the threats to the electricity sector and will help identify and prioritize technological countermeasures for the protection of those facilities.
- We will complete the end-to-end System Study for Municipal Domestic Water Security. This study examines vulnerabilities of water systems to insider threats, the ability to detect and decontaminate a threat, and post-event recertification of a system, in order to provide direction for future R&D investments for both DHS and EPA. It is intended that the unclassified results will be provided to local utilities to help them enhance their own protective measures.
- We intend to deliver improved automated scene recognition and understanding components for enhanced threat detection and detecting unattended objects (e.g., packages) as a beta version resulting from RD&D funding).
- Working with the PCSF, we will complete a secure SCADA systems analysis and evaluation architecture that includes provably secure protocols and encryption standards.
- We will provide information to assist the adaptation of the Safety Act for application in SCADA and distributed process control technologies.

The National CIP R&D Plan

- We will deliver the 2005 National CIP R&D Plan with Federal agency CIP program budget information and a technology roadmap for future deliverables. Incorporate relevant stakeholder inputs from: a) Federal agencies including activities and levels of effort; b) critical infrastructure sector owners and operators; and c) private and public research institutions and universities. Provide a coordinated Federal R&D research agenda for CIP related programs.
- We will identify focused R&D activities in protecting critical infrastructures from catastrophic events and leverage private sector and State and local government contributions to securing sector infrastructures.

KCI

- We intend to transition the results of the FY 2004 funded KyCIPLab programs to applicable commercial products and pilot programs.
- We intend to continue monitoring of projects started in FY04 and FY05.

- We will provide focused topic areas based on current year CIP R&D requirements for FY 2006 proposals and select projects for FY 2006 funding.

FY 2007 Plan:

Modeling, Simulation, and Analysis Program - The CIP-DSS activities in FY 2007 seek to further extend the functional capability of the system as well as applying the (maturing) analytical capabilities to problems of importance to DHS. We plan to:

- Refine infrastructure model and infrastructure interdependency representations based on application experience, evolving needs within the Department, and continued interactions with domain experts.
- Refine threat scenario modeling capability based on application experience and evolving needs within the Department, as well as by interactions with external regional homeland security groups.
- Incorporate improved human behavioral response functions into appropriate infrastructure models within the CIP-DSS framework. This enhancement will continue to improve the fidelity and accuracy of the infrastructure impacts characterized by the system.
- Apply CIP-DSS framework models and decision analysis to DHS or regional homeland security portfolio resource allocation and prioritization needs.
- Provide training on the capabilities and use of CIP-DSS to designated DHS organizations and support early adoption by the user community.

Protective Security Technologies

- We will stand-up the Insider Threat Mitigation Working Group to provide a long-term, sustained level of effort to find effective means of addressing the insider threat through a private-public partnership forum.
- We will deliver enhanced scene understanding/Closed Captioned Television (CCTV) technology suite Version 1.0 to more effectively apply video surveillance, provide processed and actionable information to security monitoring personnel, and to do this in a cost-effective manner with greatly reduced computer memory and data-transmission requirements.

The National CIP R&D Plan

- We will deliver the third annual National CIP R&D Plan with agency budget information and a roadmap for deliverables. Incorporate relevant stakeholder inputs from: a) Federal agencies including current and future activities, and levels of effort; b) critical infrastructure sector owners and operators; and c) private and public research institutions and universities.
- We will identify focused R&D activities in protecting critical infrastructures from catastrophic events and leverage private sector and State and local government contributions to securing sector infrastructures.

Kentucky CIPLab

- We will transition results of the FY 2005 funded KyCIPLab programs to applicable commercial products and pilot programs.
- We will monitor the projects started in FY06.
- We will provide topic areas for FY 2007 proposals and select projects for funding.

PPA: CYBER SECURITY

	Perm Pos.	FTE	Amount
2005 Actual	-	-	**$17,690**
2006 Revised Enacted	-	-	**16,533**
2007 Adjustments to Base	-	-	(900)
2007 Current Services	-	-	**15,633**
2007 Program Change	-	-	7,100
2007 Request	-	-	**22,733**
Total Change 2006-2007	-	-	6,200

Science and Technology Directorate requests $22.7 million for this activity. This is an increase of $6.2 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION: The Cyber Security R&D Portfolio leads cyber security research, development; testing and evaluation endeavors to secure the Nation's critical information infrastructure. It does so through coordinated efforts to improve the security of the existing cyber infrastructure and provide a foundation for a more secure infrastructure. It has these strategic objectives:

- conduct research, development, testing, and evaluation of cyber security technology aimed at preventing, protecting against, detecting, responding to, and recovering from large-scale, high-impact cyber attacks;
- enable the creation of and migration to a more secure critical information infrastructure, through the development and use of more secure communication protocols;
- address cyber security R&D needs in support of DHS mission component needs (primarily the National Cyber Security Division and National Communications Systems in IAIP)
- address cyber security R&D needs that are unique to critical infrastructure sectors, particularly those that rely on the Internet to a great extent (Information and Telecommunications, Banking and Finance, and in coordination with the CIP Portfolio, address the cross-cutting issue of securing process control systems).
- provide a foundation for the long-term goal of economically-informed, risk-based cyber security decision making; and
- provide novel and next-generation secure information technology concepts and architectures through long term research efforts.

Three additional strategic objectives that do not address specific threats and vulnerabilities, but are critical to portfolio planning, execution, technology transition, and outreach are:

- actively pursue opportunities to serve as a catalyst for private sector activity, including public-private partnerships, as well as increased cooperation and communication among private sector companies and organizations;
- actively pursue strategies for facilitating technology transfer and diffusion of Federally-funded R&D into commercial products and services, and private sector use; and
- coordinate research, development, testing and evaluation activities with related ongoing activities at other Federal agencies.

The Cyber Security Portfolio's R&D investments will yield technologies that improve the security of information and information systems in two complementary ways: through the development of a new

generation of cyber security technologies that can be used to increase the security of information and information systems, and through the development of tools and methodologies used to develop more inherently secure systems. The portfolio also fosters technology transfer and diffusion of Federally-funded R&D into commercial products and services, and private sector use. This technology diffusion will result in broad-based benefits to the Information Technology (IT) sector and to users of IT among the other critical infrastructure sectors.

The portfolio coordinates with other Federal agencies through the National Science and Technology Council's (NSTC's) Cyber Security and Information Assurance (CSIA) Interagency Working Group (co-chaired by DHS and the Office of Science and Technology Policy (OSTP)), and the InfoSec (Information Security) Research Council. It also collaborates informally with other agencies that share interests in the area of cyber security R&D, including the National Science Foundation (NSF), various organizations within the Department of Defense (DoD), and the National Institute of Standards and Technology (NIST). The portfolio strongly emphasizes actively pursuing opportunities to catalyze private sector activity. Such opportunities include public-private partnerships as well as increased cooperation and communication among private sector companies and organizations. Finally, the portfolio participates in international efforts to develop common areas of collaboration in cyber security R&D.

The S&T Directorate has both formal and informal processes for gathering requirements for the cyber security portfolio. Internal cyber security requirements are provided to the S&T Directorate by the DHS Infrastructure Protection Directorate (IP), specifically by the National Cyber Security Division (NCSD) and the National Communications System (NCS). Broader input regarding requirements is derived from a variety of sources. These include national policy documents (principally the *National Strategy to Secure Cyberspace*); external documentation and sources such as Federal, infrastructure sector, and other cyber security research documents; discussions and coordination with members of the government research community in various interagency for a; discussions with the private sector, including both cyber security technology developers and end users. Prioritization efforts are guided by the overall context of the DHS Science and Technology Directorate mission and the prioritized requirements list is developed using a risk assessment methodology.

FY 2005 Accomplishments:

Cyber Security R&D Center: The goal of the Cyber Security R&D Center is to be the primary S&T Directorate interface with the academic and industrial cyber security research communities. In FY 2005, an emerging security technology forum (ESTF) was conducted that introduced government representatives to smaller-sized information security technology vendors with innovative technology approaches. For this ESTF vendors presented and demonstrated current and emerging information security technologies that defend against Distributed Denial of Service (DDOS) and worm attacks, that is, technology that can continually assess and prevent security risks in the nation's critical infrastructure. In FY 2005 the following assessments and exercises and experiments were conducted:

- A joint US/Canada project to investigate and assess architectures for national/international secure email using security-enhanced Blackberry devices.
- A LOGI^{2}C (Linking Oil & Gas Industry to Improve Cyber-Security) project workshop to assist DHS, Department of Energy (DOE), and the National Laboratory Testbeds with R&D of new solutions focused on the oil and gas industry that will address existing security weaknesses and security solutions.
- A Secure Sockets Layer (SSL) auditing project that will enable organizations to audit secure communications to prove policy compliance, arbitrate disputes, and investigate attacks. In FY

2005 a detailed system design was developed and an alpha version of the turnkey system was built that met the requirements specified in the system design.

- The System for Internet Relay Chat Underground Information Tracking (SIRCUIT), developed in collaboration with local US Secret Service offices, to monitor Internet Relay Chat (IRC) used for commerce in stolen credit numbers and related data. In FY 2005, the requirements were specified and the software tool developed.
- An economic analysis of cyber security and private-sector investment decisions project to investigate Internet stakeholders' investment decisions for bolstering the security of their IT networks. In FY 2005 a contract was awarded. The following documents were delivered: industry specific business cases for appropriate IT security expenditures and final report that identifies the potential role for the Federal government in stimulating investment in cyber security.
- Prototyping of a Business Process Model (Computer Simulation) of the Financial Sector to simulate impacts resulting from cyber and physical disruptions of business processes and transactions between critical entities in the Financial Sector. In FY 2005, a system model for a proof-of-concept and the prototype were completed.
- Revision of the "Information Security (InfoSec) Hard Problems List", a report developed by government subject matter experts on the interagency InfoSec Research Council. The initial report, which identified important information security research challenges, was first published in 1999 and has been in need of updating due to the significant advances and evolution in information technology in the past five years.
- Institute for Infrastructure Protection (I3P). Two research projects for cyber security, one in Supervisory Control and Data Acquisition (SCADA) systems, and one in economic and policy issues have been implemented. The S&T Directorate has project management responsibilities.
- The "virtual" Cyber Security R&D Center technical support funding provides support for the S&T Directorate in pre-research activities (such as developing roadmaps, organizing workshops and meetings, aids in drafting research solicitations and proposal review), as well as post-research activities (such as facilitating pilot tests and exercises, venture capital community outreach, private sector outreach, and interfacing with non-government R&D communities).

International Collaborations: In FY 2005, the joint international projects initiated in FY 2004 were completed. In addition, interactions with Canada and the United Kingdom continue to identify joint projects of collaboration. Discussions with the UK focus on the Cyber Defense Technology Experimental Research (DETER) testbed and projects for development assessment methodologies for *black box* testing. Work with Canada focused on a coordinated risk assessment to identify cyber security research areas of joint interest.

Infrastructure Security Program: The goal of this program is the development of secure and robust mechanisms that will enable the Internet to support the Nation's needs now and in the future. This will include securing the protocols on which the Internet is based. In FY 2005 the following prototypes and documents were developed: a Domain Name System Security (DNSSEC) deployment roadmap, NIST Special Publication 800-series guidance document on DNSSEC, specifications for end system application and operating system use of DNSSEC, the Global DNSSEC Monitoring Tool (GDMT), and training and tools for the DNSSEC pilot deployment. In addition, summits were held at several international meetings, for example, in Kyoto, Japan and Argentina. The Border Gateway Protocol (BGP) is the routing protocol that connects Internet Service Providers (ISPs) and subscriber networks to form the Internet. In FY 2005, a government and industry steering committee was formed, and industry and operator requirements workshops were held.

Next-Generation Cyber Security Technologies Program: This program will pursue two sets of R&D activities in FY 2005. The FY 2004 Broad Agency Announcement (BAA) contract awards were completed in FY 2005. Its technical topic areas are: Vulnerability Prevention, Vulnerability Discovery and Remediation, Cyber Security Assessment, Security and Trustworthiness for Critical Infrastructure Protection (CIP), Wireless Security, Network Attack Forensics, and. A second overlapping but separate three year next-generation technologies program will be initiated, and the BAA published in FY 2005. The BAA includes: (1) robot networks (BotNets); (2) rapid recovery and reconstitution of information technology networks or systems, (3) open source tools for network management, and (4) technologies to defend against identify theft. And the following FY 2005 emerging threats topics were announced: virtual machine detection and escape and next-generation crimeware (spyware and 'phishing' tools) defenses.

Cyber Security Testbed Program: The goal of the program is to create, operate, and support a researcher-and-vendor-neutral experimental infrastructure that is open to a wide community of users and produce scientifically rigorous testing frameworks and methodologies to support the development and demonstration of next-generation cyber defense technologies. A particularly important feature of this program is that it enables research into threats to network security without risk of compromising the actual internet. This program is jointly funded by DHS and NSF. In FY 2005, the DETER testbed program included expansion of the size of the testbed to add an additional 100 nodes, bringing the total to over 200 nodes. To support this expansion, additional hardware from various vendors will be installed. In addition, a security assessment, security architecture, and remote management/configuration capabilities were completed. The assessment was performed by a red team to assess and verify the security of the testbed network (including the data sets program addressed next). In FY 2005 a workshop and demonstration brought together various research groups participating in the testbed and highlighted the Worm and Distributed Denial of Service (DDOS) attack and defense experiments and the Border Gateway Protocol (BGP) advanced attack re-creation. FY 2005 plans for the Evaluation Methods for Internet Security Technologies (EMIST) testing framework include the demonstration of the visualization and specification tools, emulated routers, and collaborative defense. Finally, an annual report will be generated.

Large-scale Network Data Sets Program: The goal of the program is to produce datasets for information security testing and evaluation of maturing networking technologies. In FY 2005 the following capabilities were implemented: a large scale virtual data repository website/web portal for accessing a wide range of network data; websites for providing structured access to raw, compressed Voice over Internet protocol (VoIP) and BGP data resources; topology traces, address usage scans, and DDoS attack information; and Code-Red, Nimda and Witty worm datasets available to PREDICT researchers. In addition, internal and external PREDICT process pilots were completed and the PREDICT repository became operational. A final pilot report and standard operating procedures for all functions within the system were developed. A red team assessed and verified the security of the program resulting in an improved design and security of the DETER testbed and PREDICT coordinating center.

Small Business Innovation Research:
Cross-Domain Attack Correlation Technologies: Developed a system to efficiently correlate information from multiple intrusion detection systems (IDSes) about "stealthy" sources and targets of attacks in a distributed fashion across multiple environments.

Real-Time Malicious Code Identification: Developed technologies to detect anomalous network payloads destined for any service or port in a target machine to prevent the spread of destructive code through networks and applications. These technologies focused on detecting "zero day attacks," the first appearance of malicious code for which no known defense has been constructed.

FY 2006 Plan:

Cyber Security R&D Center: The "virtual" Cyber Security R&D Center technical support funding will continue to provide support for the S&T Directorate in pre-research activities and post-research activities. FY 2006 activities will have a significant focus on private sector and venture capital community outreach. There is a recognition that the ability of DHS cyber security R&D investments to improve the protection of the nation's critical information infrastructure is strongly dependent on the extent to which outcomes of R&D programs diffuse into mainstream commercial use. As DHS prior cyber security R&D investments mature, efforts will be undertaken to foster and accelerate transition of new technology into commercial cyber security products and services.

Infrastructure security program: Plans for FY 2006 in the area of Domain Name System security include a focus on system-level DNSSEC implementation, with development of software reference implementations for servers and client applications, and planning for pilot deployments of DNSSEC. Work will be undertaken to address as-yet unsolved technical issues associated with change cycles for static and dynamic zone data, and zone signing keys. FY 2006 investments in the area of routing protocol security will be directed at the development of a modeling and simulation framework for impact assessment of secure routing protocols on the Internet performance. Road mapping activities will take place in conjunction with other government and non-government stakeholders to develop future development paths, and requirements for future development of reference implementations.

Next-Generation Cyber Security Technologies Program: In FY 2006, a new two-year R&D program phase will be initiated, again overlapping with the program started in FY 2005. As the FY 2004 program comes to a close in FY 2006, progress against the FY 2004 technical topic areas will be evaluated. We do not expect these areas to go from priority challenges to solved problems within a span of two years, and therefore expect this assessment to highlight a subset of the 2004 technical topics for which investments should continue. Additional topics lined up for consideration include (1) identity management, and (2) network survivability, or insider threat detection from a cyber security perspective. We expect at least one of the topics under consideration for 2005 to slide to 2006 due to budget constraints. In order to catalyze transfer of DHS-funded technologies into mainstream commercial products and services, FY 2006 activities will also emphasize testing, evaluation, and piloting of the most promising technologies emerging from the now completed program that began in FY 2004.

Cyber Security Testbed Program: Cyber security DETER testbed plans for FY 2006 include completion of the full-scale operational testbed, acquisition and generation of network data sets, enhancement of remote management and configuration capabilities, and a final project report. FY 2006 plans for the EMIST cyber security testing framework include the documentation of additional attack scenarios and defense mechanisms, in-depth Phase II experimentation and testing on the full scale testbed, a workshop to disseminate and discuss project results and outcomes, and reports documenting benchmarks, testbeds, evaluation, data collection and analysis, and general results in testing of security mechanisms.

Large-scale Network Data Sets Program: FY 2006 plans in the area of large-scale network data sets include ongoing collection, refreshing, and sharing of data sets, and addition of new partners as applicable. FY 2006 efforts will also focus on pursuing partnerships that allow broader non-government participation, accompanied by a greater role of non-government organizations and funding sharing responsibility for oversight and financial support for this capability.

FY 2007 Plan:

In FY 2007, the Cyber Security R&D Portfolio plans to:

- conduct R&D aimed at large-scale, high-impact cyber attacks
- address cyber security R&D needs that are unique to critical infrastructure sectors, particularly those sectors that rely on the Internet, and
- provide continuity of government to ensure the safety of:
  - the government's cyber infrastructure and
  - the assets required for supporting essential missions

The programs within the portfolio address these objectives and the following threats: unauthorized modification of user or system data, malicious code exploitation, resource denial of service, and eavesdropping on communications. The focus is on the following vulnerabilities: inadequately protected data; inadequate or weak authentication; and insecure infrastructure for internet communications, applications, operating systems, and networks. The goal is to mitigate the risk associated with the threats and vulnerabilities.

Cyber Security R&D Center: The "virtual" Cyber Security R&D Center technical support funding will continue to provide support for the S&T Directorate in pre-research activities and post-research activities.

Infrastructure security program: This program will develop technologies and capabilities to improve security of existing infrastructure and support migration to a more secure infrastructure. Plans for FY 2007 in the area of Domain Name System include early-stage deployment activities within the U.S. government infrastructure and developing a draft guidance document on routing protocol (BGP) security.

The requirement for the following two programs is the development of a research infrastructure to provide broad-based support to government/university/private sector research communities, through development and support of a cyber security testbed and cyber security data sets collection and dissemination program.

Cyber Security Testbed Program: In FY 2007, the testbed will be transitioned to an operations and maintenance phase – allowing the funding to be primarily used for specific projects.

Large-scale Network Data Sets Program: In FY 2007, the Data Sets program will be transitioned to an operations and maintenance phase. As a consequence, the data sets program will focus on specific projects executed by government, public, and private sector organizations. In addition, the goal is to expand the list of data contributors.

Cyber Security Experiments and Exercises Program: This program focuses on cyber security technology experiments and pilot projects, and supports S&T Directorate participation in cyber security exercises. The objective of this program is to support the use of next-generation cyber

security technologies. The intent is to provide an understanding of critical cyber security weaknesses and capabilities in an operational environment. The objective will be accomplished by validating security techniques and methods, testing the performance of technologies, and accelerating the transition of next-generation technologies into broader use and/or commercialization by putting them into use in operational environments.

Cyber Security Assessment Program: This program focuses on cyber security assessment by conducting studies and holding workshops.

IV. Program Justification of Changes

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisitions, and Operations
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Joint Agro-terror Defense Office (JADO)

Strategic Goal(s) & Objective(s): PREVENTION -- Detect, deter, and mitigate threats to our homeland
2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism, and other illegal activities.

PPA: Biological Countermeasures

Program Increase: Positions 0 FTE 0 Dollars $2,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									$0
Program Increase									2,000
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$2,000**

Description of Item
The additional funds ($2 million) are to instantiate and staff a Joint Agro-terror Defense Office (JADO), which will enhance inter-agency coordination of advanced development of countermeasures for agro-defense.

Justification
DHS responsibilities for agro-defense are defined in several public laws and Homeland Security Presidential Directives (HSPD), including the Homeland Security Act of 2002; Congressional appropriations for FY 2004-2006; "Critical Infrastructure Identification, Prioritization, and Protection" (HSPD-7); "Defense of United States Agriculture and Food" (HSPD-9); and "Bio-defense of the 21st Century" (HSPD-10).

HSPD-9 provides a clear definition of roles and responsibilities for DHS and the sector specific agencies (SSAs), including those for which there is a clearly stated agency lead for DHS, shared responsibility for DHS and other agencies, or led by one or more SSA. In particular, DHS is identified as the lead to coordinate Federal activities to "accelerate and expand development of current and new countermeasures against intentional introduction or natural occurrence of catastrophic animal, plant, or zoonotic diseases". DHS and USDA are also required to "develop a plan to provide safe, secure, and

state-of-the-art agriculture bio-containment laboratories that research and develop diagnostic capabilities for foreign animal and zoonotic disease".

DHS and its SSA partners currently work through established inter-agency venues, including the Homeland Security Council's Policy Coordinating Committee for Agriculture, Food, and Water, and the National Science and Technology Council's Foreign Animal Disease Threats Subcommittee (co-Chaired by the Director of the Biological Countermeasures Portfolio and USDA), which provide valuable inter-agency input and coordination on these issues.

With a dedicated staff (executive director and an inter-agency staff of 4-5 FTEs), JADO will provide continuity and functional linkages to these inter-agency interactions, including issues concerning policy (guidance and coordination, development of requirements) and research coordination (leadership and coordination of domestic and international programs for requirements-driven advanced development of countermeasures). To provide overall coordination and guidance, JADO will establish a Senior Advisory Group, to be chaired by the Under Secretary of DHS S&T, with representatives from the research and regulatory agencies, and homeland security office, of USDA.

Impact on Performance (Relationship of Increase to Strategic Goals)
We anticipate that JADO will provide a significant enhancement to inter-agency coordination by DHS for the development of countermeasures for agro-defense (see HSPD-9 above). Thus, this initiative is consistent with DHS Strategic Goal and Objective 2.3: Prevention -- Detect, deter, and mitigate threats to our homeland -- 2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism, and other illegal activities.

Program Increase 2: Cyber Security

Strategic Goal(s) & Objective(s):
2.3: Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.
3.2: Reduce infrastructure vulnerability from acts of terrorism.

PPA: Cyber Security

Program Increase: Positions 0 FTE 0 Dollars $7,100

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									$3,875
Program Increase									7,100
Total Request	**0**	**0**	**$8,059**	**0**	**0**	**$5,596**	**0**	**0**	**$10,975**

Description of Item
The Cyber Security Portfolio Office is funded at $22.9 million, $7.1 million above the Department's request. Of the funds provided for cyber security R&D above the request, $1.25 million is provided to enhance domain name infrastructure security R&D; $1.25 million is provided to support R&D to secure Border Gateway Protocols under the Secure Protocols for Routing Infrastructure program; $1 million is provided to support cyber security test beds; $1 million is provided to support large-scale cyber security data sets; and $2 million is provided to support R&D for highly scalable identity management with an emphasis on the ability to deploy this technology to wide-area networks. The remaining additional funds may be allocated as the portfolio sees fit.

Justification
Domain Name Infrastructure Security:
The security of the Domain Name System (DNS) requires security of the DNS resolvers (both domain and end-system) and end-host applications, which do not currently exist. In FY 2007, the domain name security program will develop secure domain resolvers and associated end-system resolvers, as specified by Internet standards, and DNSSEC-aware applications as part of the next stage of the deployment activity.

Secure Protocols for Routing Infrastructure:
In FY 2007, the secure routing protocols program will develop and deploy a public key infrastructure with the global registries to support the authentication of IP address allocation, autonomous system numbers, and the mapping between them to ensure the security of global routing announcements.

Cyber Security Testbed Program:
In FY 2007, the current testbed will be federated with several other government funded testbeds to provide a larger capability as part of the next stage of the testbed development. This will be

accomplished by modifications to the current testbed management software as well as upgrades to existing key hardware components, including VPNs and routers.

Large-scale Network Data Sets Program:
In FY 2007, the large-scale datasets program will be expanding the number of datasets in the repository from 100 to 150. The new datasets will include datasets with full packet content, whereas the current datasets include only packet headers. Additionally, a new repository containing identity theft related datasets will be established.

Highly Scalable Identity Management:
In FY 2007, this program will develop new identity management technologies that are in compliance with newly announced HSPD-12 standards for government identity management.

Impact on Performance (Relationship of Increase to Strategic Goals)
The Cyber Security Testbed Program, Large-scale Network Data Sets Program, and Highly Scalable Identity Management efforts support the goal of Prevention by developing new technologies and tools for defending cyberspace. The Domain Name Infrastructure Security and Secure Protocols for Routing Infrastructure efforts support the Protection goal through deployment of technologies to reduce vulnerabilities of existing cyber infrastructure. The Domain Name Infrastructure Security item will have possible impact on the performance of other DHS components as it is deployed into the operational infrastructure.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Science and Technology Directorate
Justification of Proposed Changes in Research, Development, Acquisition and Operations
Appropriation Language

For necessary expenses for science and technology research, including advanced research projects; development; test and evaluation; acquisition; and operations; as authorized by title III of the Homeland Security Act of 2002 (6 U.S.C. 181 et seq.); purchase and lease of up to ten (five for replacement only) motor vehicles;[$1,420,997,000,] ***$806,370,000,*** to remain available until expended. [:Provided, That of the total amount provided under this heading, $23,000,000 is available to select a site for the National Bio and Agrodefense Facility and perform other pre-construction activities to establish research capabilities to protect animal and public health from high consequence animal and zoonotic diseases in support of Homeland Security Presidential Directives 9 and 10: Provided further, That of the amount provided under this heading, $318,014,000 shall be for activities of the Domestic Nuclear Detection Office, of which $125,000,000 shall be for the purchase and deployment of radiation portal monitors for United States ports of entry and of which no less than $81,000,000 shall be for radiological and nuclear research and development activities: Provided further, That excluding the funds made available under the preceding proviso for radiation portal monitors, $144,760,500 of the total amount made available under this heading for the Domestic Nuclear Detection Office shall not be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve an expenditure plan for the Domestic Nuclear Detection Office: Provided further, That the expenditure plan shall include funding by program, project, and activity for each of fiscal years 2006 through 2010 prepared by the Secretary of Homeland Security that has been reviewed by the Government Accountability Office.]

Explanation of Changes:

S&T has a need to purchase replacement vehicles for the Plum Island facility. These vehicles were originally purchased by the Department of Agriculture and were transferred to DHS/S&T along with PIADC. As existing vehicles reach the end of their useful lives they must be replaced.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition and Operations
FY 2006 to FY 2007 Budget Changes
(Dollars in Thousands)

	Pos.	FTE	Amount
FY 2005 Actual	-	-	$ 1,175,031
FY 2006 Revised Enacted	-	-	$ 1,406,787
Transfer to other accounts:			
Transfer of DNDO Resources from S&T			$ (314,834)
Transfer of Forensics and Attribution from S&T to DNDO			(14,500)
Total, Transfers	-	-	(329,334)
Decreases			
Non-Recur Biological Countermeasures			(17,700)
Non-Recur C-MANPADS			(104,000)
Non-Recur Emerging Civil Aviation			(10,000)
Non-Recur Rapid Prototyping			(4,100)
Non-Recur CIP efforts			(20,000)
Non-Recur RapidCom			(5,000)
Non-Recur Safety Act			(1,400)
Non-Recur Office of Interoperability and Compatibility			(1,000)
Realignment of Resources to M&A			(112,013)
Technical Base Adjustment			(4,970)
Total, Decreases	-	-	(280,183)
Total Adjustments to Base	-	-	(609,517)
2007 Current Services	-	-	797,270
Program Changes:			
Joint Agro-terror Defense Office			2,000
Enhance Domain Name Infrastructure Security			1,250
Secure Border Gateway Protocols			1,250
Cyber Security Test Beds			1,000
Large-scale Cyber Security Data Sets			1,000
Highly Scalable Identity Management			2,000
Cyber Security Project Administration			600
Total Program Changes	-	-	9,100
2007 Request	-	-	$ 806,370
2006 to 2007 Total Change	-	-	$ (600,417)

C. Summary of Requirements

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Summary of Requirements
(Dollars in Thousands)

	2007 FB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	-	-	**1,175,031**
2006 Revised Enacted	-	-	**1,406,787**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for detail)			
Transfers			(329,334)
Increases			72,250
Decreases			(552,433)
Total Adjustments-to-Base			797,270
2007 Current Services			
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)			9,100
2007 Total Request	-	-	**806,370**
2006 to 2007 Total Change	-	-	(600,417)

Estimates by Program/Project Activity	2006 Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Program Change		
	Pos.	FTE	Amounts	Pos.	FTE	Amounts	Pos.	FTE	Amounts	Pos.	FTE	Amounts	Pos.	FTE	Amounts
Bio Countermeasures			376,200			(41,000)			2,000	-	-	337,200	-	-	(39,000)
NBACC			-			-			-	-	-	-	-	-	-
Chemical Countermeasures			94,050			(10,958)			-	-	-	83,092	-	-	(10,958)
Explosives Countermeasures			43,560			43,022			-	-	-	86,582	-	-	43,022
Radiological and Nuclear Countermeasures			18,895			(18,895)			-	-	-	-	-	-	(18,895)
Domestic Nuclear Detection Office			314,834			(314,834)			-	-	-	-	-	-	(314,834)
Threat Awareness Portfolio 1/			42,570			(2,719)			-	-	-	39,851	-	-	(2,719)
Standards			34,650			(12,519)			-	-	-	22,131	-	-	(12,519)
Support of Department of Homeland Security Components			79,200			9,422			-	-	-	88,622	-	-	9,422
University and Fellowship Programs			62,370			(10,400)			-	-	-	51,970	-	-	(10,400)
Emerging Threats 2/			7,920			(7,920)			-	-	-	-	-	-	(7,920)
Rapid Prototyping 2/			34,650			(34,650)			-	-	-	-	-	-	(34,650)
Emergent and Prototypical Technology 2/			-			19,451			-	-	-	19,451	-	-	19,451
Counter MANPADS			108,900			(104,020)			-	-	-	4,880	-	-	(104,020)
SAFETY Act			6,930			(2,220)			-	-	-	4,710	-	-	(2,220)
Office for Interoperability and Compatibility			26,235			3,500			-	-	-	29,735	-	-	3,500
Critical Infrastructure Protection			40,392			(24,979)			-	-	-	15,413	-	-	(24,979)
Cyber Security			16,533			(900)			7,100	-	-	22,733	-	-	6,200
Research and Development Consolidation			98,898			(98,898)			-	-	-	-	-	-	(98,898)
Total	-	-	**1,406,787**	-	-	**(609,517)**	-	-	**9,100**	-	-	**806,370**	-	-	**(600,417)**

1/ Formerly Threat and Vulnerability, Testing and Assessment
2/ Formerly Emerging Threats and Rapid Prototyping.

D. Summary of Reimbursable Resources

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisitions, and Operations
Summary of Reimbursable Resources
(Dollars in Thousands)

Collection by Source	2005 Actual			2006 Revised Enacted			2007 Request			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
DOJ			1,152,320			-			-	-	-	-
DOE			1,076,000			-			-	-	-	-
DOD			70,000			-			-	-	-	-
DOA			269,529			-			-	-	-	-
DNDO			-			1,000,000			1,000,000			-
DHS/HQ CIO			4,798,780			-			-	-	-	-
DHS/HQ USM			127,000			5,000,000			5,000,000	-	-	-
DHS/SLGCP			2,600,175			10,000,000			10,000,000			-
DHS/ISCO			-			10,000,000			10,000,000			-
DHS/CBP			380,000			10,000,000			10,000,000			-
DHS/IAIP			3,409,942			5,000,000			5,000,000	-	-	-
DHS/IAIP			3,409,942			5,000,000			5,000,000	-	-	-
DHS/ICE/CBP			-			10,000,000			10,000,000	-	-	-
DHS/PREPAREDNESS			-			5,000,000			5,000,000	-	-	-
DHS/OPS			-			5,000,000			5,000,000	-	-	-
DHS/OPA			-			5,000,000			5,000,000	-	-	-
DHS/CG			514,125			10,000,000			10,000,000	-	-	-
Total Budgetary Resources	---	---	**17,807,813**	---	---	**81,000,000**	---	---	**81,000,000**	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			2007 Estimate		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Reimbursable Programs			14,397,871			81,000,000			81,000,000	-	-	-
Total Obligations	---	---	**14,397,871**	---	---	**81,000,000**	---	---	**81,000,000**	---	---	---

NOTE: The $81M is estimated for Homeland Security Institute.

E. Summary of Requirements by Object Class

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request
11.1 Total FTE & personnel compensation	$461	$0	$0
13.0 Benefits - former	30	---	---
Total, Personnel Comp. & Benefits	**$491**	**$0**	**$0**
Other Object Classes:			
21.0 Travel	283	---	---
23.3 Communications, utilities, & other misc. charges	992	---	---
25.1 Advisory and assistance services	42,571	---	---
25.2 Other services	337,105	54,165	---
25.3 Purchases of goods & svcs. from Gov't accounts	695,922	1,359,793	689,643
25.4 Operation & maintenance of facilities	20	---	---
25.5 Research and development contracts	97,556	240,931	116,727
31.0 Equipment	91	8,814	---
Total, Other Object Classes	**$1,175,031**	**$1,663,703**	**$806,370**
Total, Direct Obligations	**$1,175,522**	**$1,663,703**	**$806,370**
Unobligated balance, start of year	(380,639)	(276,916)	---
Unobligated balance, end of year	276,916	---	---
Recoveries of prior year obligations	---	---	---
Total requirements	**$1,071,799**	**$1,386,787**	**$806,370**

F. Permanent Positions by Grade
Not Applicable

G. Capital Investment and Construction Initiative Listing

SCIENCE AND TECHNOLOGY DIRECTORATE
Research, Development, Acquisitions, and Operations

Capital Investment and Construction Initiative Listing

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM	
	Total	In MCL	New Initiative	Budget Activity	Program/s Name
National Biodefense Analysis and Countermeasures Center (NBACC) [2]	$0	$0	$0	Biological Countermeasures	NBACC Construction Project
Total Non- IT investments $5 million or more	$0	$0	$0		
Total Non-IT initiatives under $5 million	$0	$0	$0		
Total Non-IT Investments	$0	$0	$0		
Total of IT Investment [3]	$12,200	$12,000	$0		
Total all IT and Non-IT Investments	$12,200	$12,200	$0		

National Biodefense Analysis and Countermeasures Center (NBACC)

1. Project Description, Justification and Scope

This Non Information Technology construction project is currently going through the Capital Planning and Investment Control Process (CPIC) as a part of the DHS FY 2005 budget submittal. It was first identified as part of the DHS FY 2004 budget request as a transfer from the DoD during the stand-up of the department and is a continuation of construction planned and justified initially in the FY 2003 DoD, Defense-wide military construction justification that resulted in appropriation of $5 million for construction planning of this project at Fort Detrick, Maryland. In accordance with section 303(2) of the Homeland Security Act of 2002 (Pub. L. 107-296) this project was transferred to the DHS effective March 1, 2003. Congress provided an additional $88 million in FY 2004 DHS appropriations to initiate construction of the proposed NBACC Facility.

2 All funds previously requested
3 Includes the following investments: BWIC (still need to add Workforce Management, Booz Allen Financial System, and Enterprise Portfolio Management)

This construction project is being planned to provide laboratory and administrative facilities for the NBACC. NBACC is a key component in implementing the President's *National Strategy for Homeland Security* by addressing the need for substantial research into relevant biological and medical sciences to better detect, and mitigate the consequences of biological attacks and to conduct risk assessments (Office of Homeland Security, 2002).

The mission of NBACC is to provide the nation with the scientific basis for awareness of biological threats and attribution of their use against the American public by:

- Understanding current and future biological threats, assessing vulnerabilities, and determining potential impacts to guide the development of biodefense countermeasures; and
- Providing national capability to conduct forensic analysis of evidence from bio-crimes and terrorism to attain a "biological fingerprint" to identify perpetrators and determine the origin and method of attack.

The proposed NBACC Facility at Fort Detrick will be comprised of:

- The Biological Threat Characterization Center (BTCC), for assessing the risk of attack with biological threat agents and conducting research to fill scientific knowledge gaps that impact the ability to perform those assessments; and
- The National Bioforensic- Analysis Center (NBFAC), designated in Presidential Directive *Biodefense for the 21st Century,* to be the lead Federal agency for conducting forensic analysis of evidence from a bio-crime or terrorist attack to attain a "biological fingerprint" to determine where the agent came from and the perpetrators of the attack.

The work in these laboratories will be for defensive purposes only. The *Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction*, also known as the Biological and Toxin Weapons Convention (BWC) prohibits the development, production, stockpiling, and acquisition of offensive biological weapons. The U.S. is a signatory to this treaty, and all activities performed at the NBACC Facility will comply with this treaty and all other applicable laws.

NBFAC directly supports the Federal Bureau of Investigation (FBI) and other Federal agencies in scientific assessment of biological materials leading to attribution of use and legal proceedings. The FBI has primacy in the mission to collect, analyze and document a legal case from events related to criminal misuse of biological pathogens and biotoxins. The capability of the NBFAC to conduct and facilitate integrated and coordinated analyses of evidentiary samples potentially containing or contaminated with high consequence biological threat agents requiring BSL-3 or BSL-4 containment is critical to national security.

NBACC's risk assessment, threat characterization, and forensics missions require laboratory facilities rated up to BSL-4 to conduct studies with disease-causing microbes which spread through the air or have an unknown cause. However, existing biocontainment facilities (both commercial and governmental) in the U.S. are lacking in capacity, capability, and flexibility to satisfy NBACC's mission requirements. There is not enough BSL-4 laboratory space available nationwide to support NBACC's planned laboratory biodefense research studies and bioforensic casework.

2. Significant Changes

The FY 2004 project request submitted to Congress was $90M to begin design/construction on the NBACC facility; $88M was actually appropriated for FY 2004. The Department has been going through an extensive development of an Environmental Impact Statement (EIS) for the project and subsequent operations. It was decided to delay the award of any contracts for design and construction until public concerns were analyzed and considered during the EIS process. As a result, the contract for design of the NBACC facility was awarded near the end of 2Q FY 2005. The contract for construction is anticipated for award during 4Q FY 2005. Construction of the NBACC facility is projected to be completed by 4Q FY 2008. No further funding is requested in FY 2007.

3. Project Schedule

	Fiscal Quarter and Year				Total Estimated Completion Cost ($000)	Total Project Cost ($000)
	Work Initiated	Work Completed	Physical Construction Start	Physical Construction Complete		
Concept for Design	3Q FY 2003	2Q FY 2004			1,500	
Environmental Impact Statement	1Q FY 2004	2Q FY 2005			500	
Design Procurement	1Q FY 2005	1Q FY 2005			-	
Construction Procurement	2Q FY 2005	2Q FY 2005			-	
Design Phase	2Q FY 2005	4Q FY 2006			11,500	
Construction Phase	2Q FY 2005	3Q FY 2008	3Q FY 2006	3Q FY 2008	99,000	
Final Commissioning / Certification	1Q FY 2008	4Q FY 2008			15,500	
Start Operations	1Q FY 2009					128,000

4. Schedule of Project Funding

Funding	Prior	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	Total
Appropriation		5,000	88,000	35,000	0	0	0	128,000
Obligation (actual and planned)		1,600	400	101,000	10,000	10,000	5,000	128,000
Expenditure (actual and planned)		1,600	400	15,000	36,500	39,000	35,500	128,000
Breakdown - Project Expenditures:								
Planning		1,500	500					2,000
Design Phase		0	0	10,000	500	500	500	11,500
Construction Phase		0	0	5,000	36,000	36,000	22,000	99,000
Final Commissioning/ Certification						2,500	13,000	15,500
Total Project Expenditures		**1,500**	**500**	**15,000**	**36,500**	**39,000**	**35,500**	**128,000**

5. Cost Estimate Detail and Changes

	Current Estimate	Previous Estimate
Detailed Breakdown - Project Phases		
Planning:	**2,000**	**2,000**
Project Planning and Development (Concept for Design)	1,500	1,600
Completion of Environmental Impact Statement	500	400
Issue Contract for Design (Design Procurement)	0	0
Issue Contract for CMc (Construction Procurement)	0	0
Design Phase:	**11,500**	**11,500**
Fees & other related design costs	11,500	11,500
Construction Phase:	**99,000**	**99,000**
Project Management	3,500	3,500
Construction	95,500	95,500
Facility Commissioning/Certification:	**15,500**	**15,500**
Transition costs	12,000	12,000
Other costs	3,500	3,500
Project Total	**128,000**	**128,000**

6. Method of Performance

Performance-based management systems will be used to manage the development and operation of this construction project. Competitive performance-based contracts will delineate project scope and performance expectations and will be used to implement requirements for reporting, controlling, and tracking project progress through the various phases of the project. DHS will implement and manage design, construction, and commissioning related activities and will populate and track essential performance

parameters using performance-based tracking tools to ensure project completion within cost and schedule.

7. Related Annual Funding Requirements

	FY 2007 ($ 000)	
	Current Estimate	**Previous Estimate**
No O&M for FY 2007	$0	$0

8. Budget Allocation to Programs

Program	**Allocated Budget ($ 000)**	
	FY 2006	**FY 2007**
NBACC Design & Construction Project	$0	$0
Total	**$0**	**$0**

9. Compliance with applicable public Laws, Regulations, Standards and Executive Orders

The National Biodefense Analysis and Countermeasures Center is compliant with all applicable laws, regulations, standards, and executive orders.

H. PPA Budget Justifications

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Biological Countermeasures
(Dollars in Thousands)

PPA: Biological Countermeasures		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions	450			0
12.1	Civilian personnel benefits	28			0
21.0	Travel and transportation of persons	240			0
23.3	Other rents, communications, and utilities	637			0
25.1	Advisory & assistance services	25,627			0
25.2	Other services	297,732			0
25.3	Purchase of goods/services from Gov't. accounts	7,785	376,200	337,200	(39,000)
31.0	Equipment	72			0
Total, Biological Countermeasures		**332,571**	**376,200**	**337,200**	**(39,000)**

Mission Description: The biological countermeasures portfolio places its greatest emphasis on those biological attacks that have the potential for widespread catastrophic damage, which in general provides some measure of protection against most attack scenarios. Such high consequence threats include, but are not limited to: aerosolized anthrax, smallpox, and genetically engineered airborne pathogens; highly virulent agricultural diseases such as foot and mouth disease; and high volume contamination of selected food supplies. Work is pursued in partnership with the Department of Health and Human Services (HHS), the Department of Defense (DoD), the Environmental Protection Agency (EPA), the Department of Agriculture (USDA) and others. Key elements of an early biological warning system have been demonstrated and piloted at the research level and a subset are operational (e.g. the BioWatch program). The program performs additional research on non-traditional forms of biological surveillance, advanced detection technologies to include biological signatures and assays, bioforensics, and restoration to deal with existing and next- generation threats.

Key elements of the Biological Countermeasures Portfolio are: (1) Surveillance and Detection R&D, which provides research, development, and piloting of technologies and systems to support the spiral development of the operational capabilities, such as the BioWatch Program; the Biological Warning and Incident Characterization System (BWIC) to be used in BioWatch cities to aid in interpreting the public health significance of BioWatch signals and to inform and guide the initial responses and event reconstruction; (2) Plum Island Animal Disease Center, which is a facility used to research the most sensitive rapid identification techniques, the most effective and reliable vaccination approaches, and develop genetic databases of foreign disease pathogens in order to detect and stem the effects of an intentional attack with agricultural bioagents; and (3) the National Biodefense Analysis and Countermeasures Center, to include the Biothreat

Characterization Center and National Bioforensics Analysis Center, which provides: a) scientific support to biological threat net assessments, b) bioforensic analysis for attribution, c) validated countermeasures, and d) in conjunction with the Biodefense Knowledge Center, an information clearing-house which supports interagency efforts in countering biological terrorism focused on law enforcement, national security, and public health.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Salaries and Benefits	**478**	**0**	**0**	**0**

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**240**	**0**	**0**	**0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	**637**	**0**	**0**	**0**

Communication Utilities and miscellaneous charges include all payments for rental or lease of information technology equipment and services postal services and rentals and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Advisory and Assistance (OC 25.1)	**25,627**	**0**	**0**	**0**

Advisory and Assistance includes services acquired by contracts from non-Federal sources as well as from the other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**297,732**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**7,785**	**376,200**	**337,200**	**(39,000)**

The Purchases from Government Accounts includes costs of purchases from other Federal Government agencies or accounts includes a FY 2007 decrease of $23,300,000 which is the result of a realignment of resource to other portfolios to better support the Department's and Directorate's mission, a decrease of $17,700,000 in non-recurring costs to the Biological Countermeasures portfolio and an increase of $2,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Equipment (OC 31)	**72**	**0**	**0**	**0**

Equipment includes all costs for the purchase of personal property of a durable nature.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Chemical Countermeasures
(Dollars in Thousands)

PPA: Chemical Countermeasures		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
23.3	Other rents, communications, and utilities	22			0
25.2	Other services	11,410			0
25.3	Purchase of goods/services from Gov't. accounts	46,773			0
25.5	Research & development contracts	3,188	94,050	83,092	(10,958)
Total, Chemical Countermeasures		**61,393**	**94,050**	**83,092**	**(10,958)**

Mission Description: The mission of the Chemical Countermeasures portfolio is to enhance the nation's capability to anticipate, prevent, protect from, respond to and recover from chemical threat attacks through interagency leadership and conduct of innovative research, development, and technology transition. Research and Development (R&D) activities reflect prioritization of the many possible chemical threats and targets, development of new detection and forensic technologies, and integrated protective systems for high-value facilities such as airports and subways. These activities are informed by end-user input and systems studies that identify gaps in current capability and guide technology investment. The portfolio has been organized to reflect needs in preparedness against current and future chemical threats requiring capabilities in four key areas: Chemical Analysis and Coordination, Architecture, Detection, and Response and

Recovery. The portfolio's scope includes classical chemical warfare (CW) agents, toxic industrial chemicals (TICs), and non-traditional agents (NTAs).

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	22	0	0	0

Communication, Utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	11,410	0	0	0

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	46,773	0	0	0

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and Development Contracts (OC 25.5)	3,188	94,050	83,092	(10,958)

Research and Development Contract include cost for contracts for the conduct of basic and applied research and development. The FY 2007 request includes a decrease of $17,500,000 which is the result of a realignment of resource to other portfolios to better support the Department's and Directorate's mission, a technical adjustment in the amount of ($458,000) is included and an increase of $7,000,000 due to differences between the FY 2006 President's Budget and Congressional action.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Explosives Countermeasures
(Dollars in Thousands)

	PPA: Explosives Countermeasures	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
25.2	Other services	1,716			0
25.3	Purchase of goods/services from Gov't. accounts	16,560	40,229	79,958	39,729
25.5	Research & development contracts	550	3,331	6,624	3,293
Total, Explosives Countermeasures		**18,826**	**43,560**	**86,582**	**43,022**

Mission Description: This portfolio conducts research to: improve explosives detection equipment and procedures for aviation security, to allow the reliable detection of explosives carried by persons boarding aircraft and of explosives in air cargo; improve efficiency and reduce false alarm rates of explosives detectors currently used for screening checked baggage; adapt explosives detection technologies for use in other modes of transportation, such as trains and cruise ships; and develop stand-off detection technologies that can detect large quantities of explosives in cars and trucks at a distance and, if possible, leave-behind bombs and suicide bombers, attempting to detonate explosives carried on their persons in crowded areas. Work in the first three areas are being coordinated and conducted in partnership with the DHS Transportation Security Administration.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**1,716**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**16,560**	**40,229**	**79,958**	**39,729**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes an increase of $40,207,000 due to differences between the FY 2006 President's Budget and Congressional action and a technical adjustment of ($478,000).

Research and Development Contracts (OC 25.5)	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
	550	3.331	6,624	3,293

Research and Development Contract include cost for contracts for the conduct of basic and applied research and development. The FY 2007 request includes an increase of $3,293,000 due to differences between the FY 2006 President's Budget and Congressional action.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Threat Awareness Portfolio
(Dollars in Thousands)

PPA: Threat Awareness Portfolio		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.3	Positions other than permanent				0
12.1	Civilian personnel benefits				0
21.0	Travel and transportation of persons	11			0
23.3	Other rents, communications, and utilities	88			0
25.1	Advisory & assistance services	1,093			0
25.2	Other services	3,590			0
25.3	Purchase of goods/services from Gov't. accounts	78,783	42,570	39,851	(2,719)
25.5	Research & development contracts	750			0
Total, Threat Awareness Portfolio		**84,315**	**42,570**	**39,851**	**(2,719)**

Mission Description: The RDT&E activities funded through the Threat Awareness Portfolio (TAP) primarily support two DHS strategic goals, namely, awareness and prevention. The portfolio's mission is to develop, test, and deliver – in collaboration with intelligence, law enforcement, and homeland security community agencies – computationally based tools and methodologies for assessing terrorist threats and understanding terrorism. Such tools and methods are intended to enable and enhance Federal, State, and local awareness of a broad range of threats through intelligence fusion and information sharing. TAP currently prosecutes its mission through eight interrelated programs in three critical areas: Capability Assessment and Attribution, Social-Behavioral Analyses of Terrorist Threat, and Knowledge Management Tools for Fusing and Sharing Intelligence. To achieve its objectives, TAP's science and technology efforts focus on developing a Federal-level enterprise for threat assessment. Activities in this portfolio are designed to help evaluate extensive amounts of diverse threat information; detect and document terrorist intent; couple threat information with detailed knowledge of terrorists' capabilities for developing and sources for obtaining weapons of mass effect and with accurate forensic analyses; and enable analysts to draw timely insights and distribute assessments from the information. The technologies include knowledge discovery and

dissemination, information analysis, visual analytics for synthesis of dynamic, disparate, distributed information sets containing multiple data types; information extraction and pattern discovery from massive data sets; semantic networks and high-performance processing techniques for multi-modal data correlation; integrated simulation and modeling techniques for threat assessment, scenario planning, and incident response; security and privacy; CBRNE capability assessments; field and laboratory forensic analyses of radiological and nuclear materials; and continuous assessment of individual- or group-related motives, behaviors, and intentions signifying terrorist actions. Capabilities appropriate to Federally managed information sources as well as security and privacy tools required to share information and collaborate among various Federal, State, and local government organizations, as well as foreign governments and international organizations, involved in homeland security are also being developed and implemented. Such activities directly support the Office of Information Analysis, the Directorate for Preparedness, the Transportation Security Administration, Customs and Border Protection, and Immigration and Customs Enforcement, as well as other operational entities within DHS.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**11**	**0**	**0**	**0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	**88**	**0**	**0**	**0**

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Advisory and Assistance (OC 25.1)	**1,093**	**0**	**0**	**0**

Advisory and Assistance includes services acquired by contracts from non-Federal sources as well as from the other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**3,590**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**78,783**	**42,570**	**39,851**	**(2,719)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes an increase of $8,000,000 for the realignment of Forensic Attribution program from the Radiological and Nuclear Countermeasures portfolio and resources from other portfolios to better support the Department's and Directorate's mission, a technical adjustment of $-219,000, a increase of $4,000,000 due to differences between the FY 2006 President's Budget and Congressional action, and a realignment of $14,500,000 to DNDO.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and Development Contracts (OC 25.5)	**750**	**0**	**0**	**0**

Research and Development Contract include cost for contracts for the conduct of basic and applied research and development.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Standards Development
(Dollars in Thousands)

PPA: Standards Development		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
21.0	Travel and transportation of persons	1			0
23.3	Other rents, communications, and utilities	23			0
25.2	Other services	3,540			0
25.3	Purchase of goods/services from Gov't. accounts	36,339			0
25.5	Research & development contracts		34,650	22,131	(12,519)
Total, Standards Development		**39,903**	**34,650**	**22,131**	**(12,519)**

Mission Description: The Standards portfolio develops, in collaboration with operational end-users, performance measures, testing protocols, certification methods, and a reassessment process appropriate to each threat countermeasure and for the integrated system.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**1**	**0**	**0**	**0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	**23**	**0**	**0**	**0**

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**3,540**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**36,339**	**0**	**0**	**0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and development contracts (OC 25.5)	**0**	**34,650**	**22,131**	**(12,519)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $12,900,000 which is the result of a realignment of resource to other portfolios to better support the Department's and Directorate's mission, a technical adjustment of $-119,000 and a increase of $500,000 due to differences between the FY 2006 President's Budget and Congressional action.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Support of DHS Components
(Dollars in Thousands)

	PPA: Support of DHS Components	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions	0	0	0	0
12.1	Civilian personnel benefits	0	0	0	0
21.0	Travel and transportation of persons	10	0	0	0
25.1	Advisory & assistance services	463	0	0	0
25.2	Other services	984	0	0	0
25.3	Purchase of goods/services from Gov't. accounts	50,289	79,200	88,622	9,422
25.4	Operation & Maintenance of facilities	20	0	0	0
25.5	Research & development contracts	375	0	0	0
Total, Support of DHS Components		**52,141**	**79,200**	**88,622**	**9,422**

BORDER AND TRANSPORTATION SECURITY

Mission Description: The Border and Transportation Portfolio's mission is to develop and transition capabilities that improve the security of our nation's borders and transportation systems without impeding the flow of commerce and traveler. One of the Department of

Homeland Security's first priorities is to prevent the entry of terrorists and the instruments of terrorism into the United States while simultaneously ensuring the efficient flow of lawful traffic and commerce. In the Department, the Border and Transportation Security (BTS) Directorate has this responsibility.

EMERGENCY PREPAREDNESS AND RESPONSE

Mission Description: The S&T Directorate's Emergency Preparedness and Response (EP&R) portfolio supports the Department's Preparedness Directorate and FEMA with a mission to improve the ability of the nation to prepare for, respond to, and recover from all-hazards emergencies through development and deployment of enabling capabilities. Particular emphasis is placed on technology integration and interoperability at all levels of government; personal protection and equipment for emergency responders; technologies to enhance training and exercise capability; emergency medical response operations, and long-term sustained performance of emergency response systems.

UNITED STATES SECRET SERVICE

Mission Description: The mission of the United States Secret Service (USSS) portfolio of the S&T Directorate is intended to support the unique USSS mission by development and deployment of advanced technologies to enhance protective and investigative capabilities. This portfolio is coordinated with the United States Secret Service and has established its first direct-funded R&D program. The USSS portfolio effort focuses upon input from the intelligence community (threat based model) and direct operational experience obtained over the last century. As a result, this funded technology program is subject to reevaluation and change based upon the perceived threats to the safety of those protected by the USSS.

UNITED STATES COAST GUARD

Mission Description: The United States Coast Guard's mission is to protect the public, the environment, and U.S. economic interests in the Nation's ports and waterways, along the coast, on international waters, or in any maritime region as required tosupport national security. The Coast Guard Research Program supports this mission through the development of technologies and systems to enhance Maritime Domain Awareness, and to improve Operational Presence and Response. Maritime Domain Awareness includes all systems, sensors, and command and control systems necessary to detect, identify, and determine the threat potential of all vessel traffic. It also includes Port Security research to protect important harbors. Operational Presence and Response is the development of the safest and most effective means of stopping a vessel, boarding it, and finding/eliminating the specific threat. The objectives of this R&D work areas to neutralize the threat as far away from potential targets as possible and to respond to emergencies as quickly and effectively as possible. The Coast Guard Research and Development program is characterized by its many partnerships with other Federal agencies and international R&D groups. Working together on mutual problems has shared costs and expedited delivery of important R&D products.

This program also supports Coast Guard unique traditional missions such as Search and Rescue and, Maritime Regulations in support its Marine Safety mission. It researches oil

spill prevention and response, and Aquatic Nuisance Species prevention in support of its Marine Environmental Protection Program. Further it works on the development of advanced navigation systems to improve the flow of goods and services via our nation's waterways.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**10**	**0**	**0**	**0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Advisory and Assistance (OC 25.1)	**463**	**0**	**0**	**0**

Advisory and Assistance includes services acquired by contracts from non-Federal sources as well as from the other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**984**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**50,289**	**79,200**	**88,622**	**9,422**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $1,750,000, which is the result of a realignment of resource to other portfolios to better support the Department's and Directorate's mission, a technical adjustment of $-478,000 and an increase of $11,650,000 due to differences between the FY 2006 President's Budget and Congressional action.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Operation & Maintenance of facilities (OC 25.4)	**20**	**0**	**0**	**0**

Operations and Maintenance of facilities includes all payments for the operations and maintenance of facilities when down by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and development contracts (OC 25.5)	**375**	**0**	**0**	**0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
University Programs
(Dollars in Thousands)

PPA: University Programs		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
21.0	Travel and transportation of persons	2			0
23.3	Other rents, communications, and utilities	35			0
25.1	Advisory & assistance services	256			0
25.2	Other services	4,532			0
25.3	Purchase of goods/services from Gov't. accounts	108,697	62,370	51,970	(10,400)
Total, University Programs		**113,522**	**62,370**	**51,970**	**(10,400)**

Mission Description: This program funds strategic partnerships with the academic community to further the homeland security mission through research and education. It provides support for qualified students and faculty in areas relevant to the nation's security and establishes University Centers of Excellence that focus on long term and large-scale homeland security issues.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	2	0	0	0

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	35	0	0	0

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Advisory and Assistance (OC 25.1)	256	0	0	0

Advisory and Assistance includes services acquired by contracts from non-Federal sources as well as from the other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	4,532	0	0	0

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	108,697	62,370	51,970	(10,400)

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $3,300,000 which is the result of a realignment of resource to other portfolios to better support the Department's and Directorate's mission, and a decrease of $7,100,000 due to differences between the FY 2006 President's Budget and Congressional action.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Emerging Threats
(Dollars in Thousands)

PPA: Emerging Threats		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
21.0	Travel and transportation of persons	15			0
23.3	Other rents, communications, and utilities	113			0
25.2	Other services	1,925			0
25.3	Purchase of goods/services from Gov't. accounts	11,000	7,920	0	(7,920)
25.5	Research & development contracts	219			0
Total, Emerging Threats		**13,272**	**7,920**	**0**	**(7,920)**

Mission Description: The mission of the Emerging Threats Portfolio is to: anticipate and define potential threats arising from new scientific and technological advances, from terrorist use of existing capabilities in new or unexpected manners, and from self assessments of the Science and Technology (S&T) Directorate research activities; and jump-start countermeasures capability development. It also fosters long-term innovative and creative exploratory research, development, test, and evaluation (RDT&E) programs to anticipate and counter new and dynamic emerging threats. The Emerging Threats portfolio is being combined with the Rapid Prototyping portfolio to create the Emergent and Prototypical Technology portfolio.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Travel (OC 21)	**15**	**0**	**0**	**0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	**113**	**0**	**0**	**0**

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**1,925**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2007 Change
Purchases from Government Accounts (OC 25.3)	**11,000**	**7,920**	**0**	**(8,920)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $8,920,000, which is a result of a realignment of resources to the Emergent and Prototypical Technology and Clearinghouse portfolio.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and development contracts (OC 25.5)	**219**	**0**	**0**	**0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Rapid Prototyping
(Dollars in Thousands)

PPA: Rapid Prototyping		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
23.3	Other rents, communications, and utilities	74			0
25.2	Other services	4,736			0
25.3	Purchase of goods/services from Gov't. accounts	60,738	34,650		(34,650)
25.5	Research & development contracts	78			0
Total, Rapid Prototyping		**65,626**	**34,650**	**0**	**(34,650)**

Mission Description: The mission of the Rapid Prototyping portfolio is to accelerate, through rapid prototyping, deployment of advanced technologies to address urgent user requirements. The Rapid Prototyping portfolio advances the Directorate's mission to

conduct, stimulate and enable research, development, test, evaluation and timely transition of homeland security capabilities to Federal, State and local operational end-users. The Portfolio will continue to meet the requirements of Section 313 of the Homeland Security Act of 2002. The Emerging Threats portfolio is being combined with the Rapid Prototyping portfolio to create the Emergent and Prototypical Technology portfolio.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Communications, Utilities, and miscellaneous charges (OC 23.3)	74	0	0	0

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	4,736	0	0	0

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	60,738	34,650	0	(34,650)

Purchases from Government Accounts include costs primarily directed to the Technical Support Working Group (TSWG). TSWG awards contacts primarily to private industry but also to some other Federal Agencies and universities. Additional funding is awarded to private industry through Broad Agency Announcements. The FY 2007 request includes a decrease of $9,900,000 which is the result of realignment of resources to other portfolios to better support Department's and the Directorate's mission, a decrease of $10,000,000 is for the Emerging Civil Aviation non-recur, a decrease of $4,100,000 is for the Rapid Prototyping non-recur, and a decrease of $10,650,000 is for the realignment of resources to the Emergent and Prototypical Technology and Clearinghouse portfolio.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and development contracts (OC 25.5)	78	0	0	0

Purchases from Government Accounts include costs for purchases from other Federal Government agencies.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Emergent and Prototypical Technology
(Dollars in Thousands)

PPA: Emergent and Prototypical Technology		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
25.3	Purchase of goods/services from Gov't. accounts	0	0	19,451	19,451
Total, Emergent and Prototypical Technology		**0**	**0**	**19,451**	**19,451**

Mission Description: The mission of the Emergent and Prototypical Technology Portfolio is to; through six major thrust areas; address the dynamic nature of terrorist threats, as science and technology advancements enable new agents of harm and new ways to employ them, and; to accelerate, through rapid prototyping, the deployment of advanced technologies to address urgent user requirements.

The Emerging Threats-Identification and Assessment, Countermeasure Development of Identified Hi-Priority Emergent Threats, and Future Capabilities Research and Development are the thrust areas of the Emergent and Prototypical Technology Portfolio that focus directly on Emerging Threats. Through these three thrust areas, the Emergent and Prototypical Technology Portfolio will focus on anticipating and defining potential threats arising from new scientific and technological advances, terrorist use of existing capabilities in new or unexpected manners, and self assessments of S&T research activities and jump-start countermeasures capabilities development. High priority is placed on developing the capability to use innovative, crosscutting approaches for anticipating and responding to new and emerging threats. Successful identification of emerging threats will permit capabilities to be developed to thwart these emerging threats before they are used.

The Technical Support Working Group (TSWG), Rapid Technology Application Program (RTAP), and Technology Clearing House are the thrust areas within the Emergent and Prototypical Technology Portfolio designed to address the Directorate's mission to conduct, stimulate and enable research, development, test, evaluation and timely transition of homeland security capabilities to Federal, State and local operational end-users. Accelerating the timeline for development and commercialization of relevant technologies will allow the Science and Technology Directorate to ensure that operational end-users are equipped with the most advanced technologies available. Through these three thrust areas, the Emergent and Prototypical Technology Portfolio will seek to transition two types of technologies. The first are those technologies already in existence that require capability modification to address an immediate or emergent threat. These technologies will undergo a rapid re-engineering process and then be transitioned to the private sector or deployed by government entities on an accelerated schedule to provide defensive countermeasures or response capabilities when needed. The second category is comprised of those technologies

that have reached a level of functional maturity to make them candidates for accelerated development. These technology opportunities will undergo operational testing and pilot deployment to determine their ultimate applicability.

Relevant R&D is underway at other agencies and organizations; thus, partnerships in this area hold greats potential for synergistic focus on homeland security. Work is conducted in partnership as appropriate with the DOE, DoD, DHHS, DOJ, USDA, and IC.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**0**	**0**	**19,451**	**19,451**

The FY 2007 request includes an increase of $19,451,000 for the realignment of resources from the Emerging Threats portfolio and the Rapid Prototyping portfolio.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Counter-MANPADS
(Dollars in Thousands)

PPA: Counter-MANPADS		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
25.3	Purchase of goods/services from Gov't. accounts	2,317			0
25.5	Research & development contracts	49,503	108,900	4,880	(104,020)
Total, Counter-MANPADS		**51,820**	**108,900**	**4,880**	**(104,020)**

Mission Description: Beginning in May 2003, the Department of Homeland Security (DHS), in partnership with other Federal agencies, initiated a Congressionally-directed aggressive System Development and Demonstration (SD&D) program to counter the threat of shoulder-fired missiles, known as MAN-Portable Air Defense Systems (MANPADS), to civilian commercial aviation. The DHS Science and Technology Directorate (S&T) is leading the technology aspects of the effort through its Counter-MANPADS Program. The Program demonstrates and evaluates the possible migration of existing military Counter-MANPADS technologies to the commercial airline industry. The re-engineering of countermeasure technologies and components is necessary to meet commercial air carrier operation requirements, including protection of critical military technology in a civilian aviation environment.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**2,317**	**0**	**0**	**0**

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and Development Contracts (OC 25.5)	**49,503**	**108,900**	**4,880**	**(104,020)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $104,000,000 which is the result of the completion of Phase III and a technical adjustment of $-20,000. The remaining $4,900,000 will support the cost for O&S.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Safety Act
(Dollars in Thousands)

PPA: Safety Act		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
25.2	Other services	1,061			0
25.3	Purchase of goods/services from Gov't. accounts		6,930	4,710	(2,220)
Total, Safety Act		**1,061**	**6,930**	**4,710**	**(2,220)**

Mission Description: This office reviews, processes, and certifies promising homeland security technologies that receive limited liability protections if designated as a SAFETY Act certified technology.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**1,061**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**0**	**6,930**	**4,710**	**(2,220)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $800,000 which is the result of a realignment of resources to other portfolios to better meet the Department's and the Directorate's mission, a technical adjustment of $-20,000 and a non-recurring cost of $1,400,000 due to differences between the FY 2006 President's Budget and Congressional action.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Office for Interoperablity and Compatibility
(Dollars in Thousands)

PPA: Office for Interoperability and Compatibility		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
25.3	Purchase of goods/services from Gov't. accounts	6,744	26,235	29,735	3,500
Total, Office for Interoperability and Compatibility		**6,744**	**26,235**	**29,735**	**3,500**

Mission Description: Non-interoperable and incompatible equipment and a lack of standardized procedures for their operation have plagued the public safety community for decades. In many cases, public safety agencies in times of multi-jurisdictional emergency responses, such as terrorist attacks, cannot perform their mission-critical duties because of these challenges. To address these issues, the Secretary of the Department of Homeland Security directed the Science and Technology Directorate to create the Office for Interoperability and Compatibility (OIC). This Office coordinates the Federal response to the challenges of interoperability and compatibility, and was implemented in coordination with other DHS programs. By coordinating and leveraging the vast range of interoperability programs and related efforts spread across the Federal government, the OIC will reduce unnecessary duplication in programs and spending, identify and promote best practices, and coordinate Federal activities related to research and development, testing and evaluation, standards, technical assistance, training, and grant funding guidance related to interoperability.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**6,744**	**26,235**	**29,735**	**3,500**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes an increase of $7,500,000 which is the result of a realignment of resources from other portfolios to better meet the Department's and the Directorate's mission, an increase in the amount of $1,000,000 due to differences between the FY 2006 President's Budget and Congressional action, and a decrease in the amount of $5,000,000 for Rapid Com is included.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Critical Infrastructure Protection
(Dollars in Thousands)

	PPA: Critical Infrastructure Protection	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
25.1	Advisory & assistance services	15,106			0
25.2	Other services	2,822			0
25.3	Purchase of goods/services from Gov't. accounts	25,264	40,392	15,413	(24,979)
25.5	Research & development contracts	22,121			0
Total, Critical Infrastructure Protection		**65,313**	**40,392**	**15,413**	**(24,979)**

Mission Description: This portfolio, conducted in support of the DHS IAIP Directorate and other CIP activities: 1) develops, implements, and evolves a rational approach for prioritizing CIP strategies and resource allocations using modeling, simulation, and analyses to assess vulnerabilities, consequences, and risks; 2) proposes and evaluates protection, mitigation, response, and recovery strategies and options; and 3) provides real-time support to decision makers during crises and emergencies.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Advisory and Assistance (OC 25.1)	**15,106**	**0**	**0**	**0**

Advisory and Assistance includes services acquired by contracts from non-Federal sources as well as from the other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**2,822**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**25,264**	**40,392**	**15,413**	**(24,979)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $4,900,000 which is the result of a realignment of resources to other portfolios to better meet the Department's and the Directorate's mission, a technical adjustment of $-79,000 and a decrease of $20,000,000 due to differences between the FY 2006 President's Budget and Congressional action.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and Development Contracts (OC 25.5)	**22,121**	**0**	**0**	**0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies.

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisition, and Operations
Cyber Security
(Dollars in Thousands)

PPA: Cyber Security		2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Changes
Object Classification					
11.1	Permanent Positions				0
12.1	Civilian personnel benefits				0
25.2	Other services	1,284			0
25.3	Purchase of goods/services from Gov't. accounts	16,356	16,533	22,733	6,200
25.5	Research & development contracts	50			0
Total, Cyber Security		**17,690**	**16,533**	**22,733**	**6,200**

Mission Description: This portfolio conducts research and development on technologies to secure and protect the Nation's cyber infrastructure from cyber threats.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Other Services (OC 25.2)	**1,284**	**0**	**0**	**0**

Other Services include report contractual services with non-Federal sources.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Purchases from Government Accounts (OC 25.3)	**16,356**	**16,533**	**22,733**	**6,200**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies. The FY 2007 request includes a decrease of $800,000 which is the result of a realignment of resources to other portfolios to better meet the Department's and the Directorate's mission and $7,000,000 due to differences between the FY 2006 President's Budget and Congressional action.

	2005 Actual	2006 Revised Enacted	2007 Request	2006-2007 Change
Research and Development Contracts (OC 25.5)	**50**	**0**	**0**	**0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies.

I. Schedule of Working Capital Fund

Department of Homeland Security
Science and Technology Directorate
Research, Development, Acquisitions and Operations
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Enacted AMOUNT	FY 2007 Request AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Office of the Under Secretary S&T Directorate	$0.00	$0.00	$0.00	$0.00
Other S&T Management and Administration	$16,104	$6,031	$38,336	$32,305
Subtotal, Management and Administration	**$16,104**	**$6,031**	**$38,336**	**$32,305**
Bio Countermeasures	$0	$9,700	$0	($9,700)
NBACC	$0	$0	$0	$0
Chemical Countermeasures	$0	2,761	$0	($2,761)
Domestic Nuclear Detection Office	$0	7,012	$0	($7,012)
Explosives Countermeasures	$0	1,279	$0	($1,279)
Radiological & Nuclear Countermeasures	$0	555	$0	($555)
Threat Awareness Portfolio	$0	1,250	$0	($1,250)
Standards	$0	1,018	$0	($1,018)
Support to the Components	$0	2,326	$0	($2,326)
University and Fellowship Programs	$0	1,831	$0	($1,831)
Emerging Threats	$0	233	$0	($233)
Rapid Prototyping	$0	1,018	$0	($1,018)
Counter MANPADs	$0	3,197	$0	($3,197)
SAFETY Act	$0	203	$0	($203)
Office of Interoperability and Compatability	$0	770	$0	($770)
Critical Infrastructure Protection	$0	750	$0	($750)
Cyber Security	$0	485	$0	($485)
Research and Development Consolidation	$0	2,903	$0	($2,903)
Subtotal, Research and Development	**$0**	**37,291**	**$0**	**($37,291)**
Total Working Capital Fund	**$16,104**	**$43,322**	**$38,336**	**($4,986)**

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Department of Homeland Security

Science and Technology Directorate

Fiscal Year 2007

Strategic Context

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Strategic Context for the FY 2007 Budget

I. Mission and Description of the Science & Technology Directorate

The Homeland Security Act of 2002 (Public Law No. 107-296) established the Department of Homeland Security (DHS) with the following mission:

- Prevent terrorist attacks within the United States,
- Reduce the vulnerability of the United States to terrorism, and
- Minimize the damage, and assist in the recovery, from terrorist attacks that do occur within the United States.

An essential component of the Department's ability to accomplish this mission is its ability to develop/organize the Nation's scientific and technological resources to prevent and mitigate the effects of terrorism against the United States.

Within the Department of Homeland Security, the principal responsibility for coordinating and organizing research and development (R&D) activities in support of the Department's mission rests with the Science and Technology (S&T) Directorate.

Mission Statement

The S&T Directorate will conduct, stimulate, and enable homeland security research, development, testing and evaluation and the timely transition of capabilities to Federal, State, local, and tribal end-users.

The S&T Directorate provides leadership for directing, funding and conducting research, development, test and evaluation (RDT&E) and procurement of technology and systems to prevent the importation of chemical, biological, and related weapons and material and to protect against and respond to terrorist threats. The S&T Directorate partners and coordinates with Federal, State and local government and private sector entities in conducting its activities. It establishes an efficient system to transfer homeland security developments and technologies to the operational elements of the Department to enhance their ability to execute all missions, now and in the future, and to meet the high priority homeland security RDT&E needs of the nation.

Description of Directorate

The S&T Directorate implements its science and technology activities through focused portfolios that address biological, chemical and explosive threats; support the research and development needs of the operational components of the Department; and cross-cutting areas such as standards and interoperability that impact all aspects of the Directorate's RDT&E process. These portfolios cut across the four elements of the Directorate and integrate the innovative input from private industry and academia as well as national and Federal laboratories. The four elements of the Directorate are:

- Office of Plans, Programs, and Requirements (PPR);

- Homeland Security Advanced Research Projects Agency (HSARPA);
- Office of Research and Development (ORD); and
- Office of Systems Engineering and Development (SED).

PPR provides the strategic and technical vision for the Directorate and its RDT&E process. HSARPA has an essential role in meeting the goals and objectives of the Department and the Directorate, through R&D, and technology maturation in industry and academia. ORD executes the Directorate's RDT&E programs within the national and Federal laboratories; establishes the University Centers of Excellence; and maintains the Nation's enduring R&D complex dedicated to homeland security. SED oversees the transition of large-scale and pilot systems to the field through program offices, which bring mature technologies from the laboratory to the user through a rapid, efficient, and disciplined project management process.

II. Major Activities and Key Strategic Issues

The Nation's technical superiority in science and technology is a key factor in the effort to ensure a secure homeland. The fulfillment of the Department's mission requires a concerted effort to access, leverage, and enhance the vast resources and expertise of the Nation's public and private sectors, academic community, non-governmental organizations, and other scientific bodies. This effort is primarily the responsibility of the S&T Directorate. That responsibility involves ensuring the Nation's homeland security R&D efforts are focused on meeting mission requirements, are adequately funded, and meet long-term as well as near-term objectives. To achieve these objectives, the S&T Directorate has created and implemented a robust research, development, demonstration, testing, and evaluation plan that include investments in both evolutionary and revolutionary capabilities with high payoff potential.

In FY 2006, the S&T Directorate received an appropriation of $1,487,075,000. In addition to the appropriation, 60 FTE were transferred to the S&T Directorate from the Transportation Security Administration and seven from Customs and Border Protection. Following are a few examples of how the S&T Directorate is using the appropriated FY 2006 funding:

- Biological Countermeasures – In FY 2006, the program was appropriated $376.200M and will use part of this funding to complete the deployment of Gen 2 BioWatch systems to the top threat cities while continuing to operate and optimize already extant BioWatch systems. In addition, the groundbreaking for the National Biodefense Analysis and Countermeasures Center (NBACC) to be located at Ft. Detrick, MD, is expected to occur in mid 2006.

- Explosives Countermeasures- In FY 2006, the program was appropriated $43.560M which will include the integration of the Transportation Security Laboratory (TSL) at Atlantic City, NJ into the S&T Directorate. The FY 2006 funds will be utilized in order to continue this key government laboratory resource with expertise in: development and application of leading edge technology for aviation security; analysis, prediction, and mitigation of explosive effects; and development of procedures, processes, and technology for explosives detection.

- Counter-MANPADs – In FY 2006, the program was appropriated $108.900M. It will seek three Federal Aviation Administration (FAA) Experimental Flight Certificates. The prototypes will be integrated with airframes and on-board ground and flight testing to verify system performance and

verify continued airworthiness of the aircraft. In addition, the program will initiate Phase III which will include delivery and installation of pre-production Counter-MANPADS equipment on commercial aircraft operated by U.S. cargo carriers similar to those aircraft dedicated to meet the Civil Reserve Air Fleet (CRAF) requirement.

- Office of Interoperability and Compatibility – In FY 2006, the program was appropriated $26.235M; with base and additional funding SAFECOM will begin survey administration in February 2006, pending the successful completion of the requirements of the Paperwork Reduction Act. Provided that the survey is administered starting in February 2006, an initial report will be released in June 2006 and a follow-on report, incorporating more extensive analysis of the data will be released in September 2006.

- University Programs - In FY 2006, the program was appropriated $62.370M. Two additional Homeland Security Centers of Excellence will be established. Within the Educational Programs Scholarships and Fellowships approximately 300 highly talented and diverse students will continue to be maintained. In addition, ten additional postdoctoral associateships, up to seven AAAS Fellows, and a Young Investigators Program and Visiting Scientists Scholars programs will be funded.

A more robust description of FY 2005 accomplishments, as well as plans for FY 2006 and 2007, are discussed within the Budget request section of the FY 2007 Congressional Justification.

III. Resources Requested and Performance Impact

The proposed FY 2007 President's Budget of $1,002,271 will maintain ongoing activities in science and technology research to detect and counter threats and attacks; protect the Nation's critical infrastructure, both physical and cyber; analyze and assess threats and vulnerabilities; and provide cutting edge technologies to operational end-users. The S&T Directorate supports the Department's strategic goals and objectives by performing RDT&E while addressing the following criteria:

- *Risks facing the Nation* that are identified and weighed by the S&T Directorate and others, including DHS's Office of Intelligence and Analysis;
- *Homeland security needs* that are identified through a systematic science and technology needs identification process that the S&T Directorate conducts with its partners;
- *Estimated costs, benefits, implementability, and potential effectiveness* of results of science and technology research and programs; and
- *DHS's overall priorities,* since the S&T Directorate supports and enables DHS's overall homeland security efforts.

The S&T Directorate invests most heavily in developing technologies, tools, systems, and information to support the Preparedness and Operations areas of the Department. The S&T Directorate also provides the scientific foundation to support Policy and Information Analysis and Sharing areas of the Department.

OMB Performance Assessment Rating Tool (PART)
To date, six S&T portfolio/programs have been evaluated through the Office of Management and Budget's (OMB) Performance Assessment Rating Tool (PART) – Biological Countermeasures,

Standards, Threat and Vulnerability Testing and Assessment, Emerging Threats, Rapid Prototyping, and University Programs in support of Fiscal Year 2005, 2006, and 2007 budget cycles. The S&T Directorate is incorporating OMB's recommendations as well as those recommendations that come out of the external program peer reviews in its planning, programming, budgeting and executing stages. The Directorate is also working to address any shortcomings of its programs.

PART scores in the FY 2006 cycle showed an effective planning and evaluation system was beginning, but had not been fully implemented or gone through a complete cycle. The Biological Countermeasures portfolio was evaluated for the FY 2006 cycle and was shown to be highly effective at providing countermeasures and protective technologies to mitigate the effects of biological agents. In alignment with the PART the budget was increased. The Standards portfolio was evaluated for the FY 2006 cycle and received a rating of "adequate." As a result of this rating, the funding level was decreased. Both portfolios are working on conducting an external, independent evaluation to validate program performance targets by the end of 2006.

The Threat Awareness Portfolio (TAP) formerly known as Threat and Vulnerability, Testing and Assessment (TVTA) was evaluated for the FY 2006 cycle and received a rating of "results not demonstrated." The original rating was attributed to things outside its control such as the fact that outside evaluators have not had a chance to conduct plenary analysis and because legal impediments have hindered their success. To address this concern, TAP sponsored a successful external program review in April 2005 and is also working to improve its performance metrics and targets.

During the FY 2007 Budget cycle, Emerging Threats, Rapid Prototyping and University Programs received scores of "Moderately Effective." In general the programs received excellent scores in program purpose, design, strategic planning and program management, but had weakness in program results and accountability. OMB's recommendations to the programs included development of more focused performance metrics as well as conducting independent program assessments. New performance metrics for these programs will be in place by March 2006. In September 2005, the Office of University Programs and each of the four Centers of Excellence in operation were evaluated by an independent board of visitors/review panel. The program review provided valuable information in the areas of mission relevance, technical competency, and management effectiveness. Once the programs have reached a steady state, UP will be able to design an independent evaluation which can demonstrate meaningful results. Emerging Threats and Rapid Prototyping are working to address the need of independent program reviews.

In addition to the above programmatic actions, the S&T Directorate's overarching RDT&E process requires each program to be clearly defined and to develop specific long-term performance measures to demonstrate progress in meeting its strategic objectives.

The S&T Directorate is also working to address the Budget and Performance Integration initiative of the President's Management Agenda (PMA). The S&T Directorate is providing DHS a quarterly self-assessment on how it is incorporating OMB's PART recommendations and addressing the shortcomings of its programs.

IV. How Science and Technology Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

The S&T Directorate supports the Department's strategic plan and continues to evaluate its own strategic goals and objectives as well as its alignment to the Department's goals and objectives. The S&T Directorate programs support many DHS components and thus indirectly support several DHS strategic objectives; however they directly support and align to one DHS strategic objective. The following list of S&T Directorate programs with their performance goals are followed by the DHS strategic objective they suppport:

Biological Countermeasures Program Long-Term Performance Goal - Provide dependable risk analyses, effective systems for surveillance and detection, and reliable bioforensic analyses to protect the nation against biological attacks.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Chemical Countermeasures Program Long-Term Performance Goal - Provide dependable risk analyses, effective systems for surveillance, detection, and cleanup, and reliable chemical forensic analyses to protect the nation against chemical attacks.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Explosives Countermeasures Program Long-Term Performance Goal - Improve explosives countermeasures technologies and procedures to prevent attacks on critical infrastructure, key assets, and the public.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Threat Awareness (formerly Threat and Vulnerability, Testing and Assessment) Program Long-Term Performance Goal - Advance capabilities for threat discovery and awareness, information management and sharing, linkage of threats with vulnerabilities, and capability and motivation assessments for terrorist organizations.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Standards Program Long-Term Performance Goal - Develop well-designed standards and test and evaluation protocols for products, services, and systems used by the Department of Homeland Security and its partners to ensure consistent and verifiable effectiveness.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Support to Department of Homeland Security Components Program Long-Term Performance Goal - Develop effective technologies and tools to increase the capabilities of the Department of Homeland Security operational components to execute their mission to secure the homeland.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

University and Fellowship Programs Long-Term Performance Goal – Establish and sustain a coordinated university-based research, development and education system to enhance the Nation's homeland security.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Emergent and Prototypical Technology Program Long-Term Performance Goal - Prevent terrorist attacks by developing effective capabilities to characterize, assess, and counter new and emerging threats and identify and rapidly develop, prototype, and commercialize innovative technologies to thwart terrorist attacks.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Safety Act Long-Term Performance Goal - Encourage the development and deployment of anti-terrorism technologies by awarding SAFETY Act benefits to homeland security technology producers.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Counter-MANPADS Program - Provide effective and economical capabilities to dramatically reduce the threat to commercial aircraft posed by man-portable anti-aircraft missiles.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Office for Interoperability and Compatibility Long-Term Performance Goal - Ensure interoperability and compatibility between emergency response agencies at the local, state, and federal levels and standardize federal testing and evaluation efforts for emergency response technologies.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Critical Infrastructure Protection Long-Term Performance Goal - Produce actionable information and recommend reliable technologies to help protect U.S. critical infrastructure.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Cyber Security Long-Term Performance Goal - Enable the creation of and migration to a more secure critical information infrastructure.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

V. Performance-Based Budget Highlights by Program

Performance Goal: Provide dependable risk analyses, effective systems for surveillance and detection, and reliable bioforensic analyses to protect the nation against biological attacks.						
Measure: Number of collectors deployed.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				223	223
	Actual					
Program: Biological Countermeasures	$ Thousands		$178,591	$478,886	$402,979	$419,120
	FTE		48	100	100	161

Performance Goal: Provide dependable risk analyses, effective systems for surveillance, detection, and cleanup, and reliable chemical forensic analyses to protect the nation against chemical attacks.						
Measure: Percent completion of an effective restoration capability.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				25%	35%
	Actual					
Program: Chemical Countermeasures	$ Thousands		$25,278	$64,931	$100,745	$103,279
	FTE		10	25	25	40

Performance Goal: Improve explosives countermeasures technologies and procedures to prevent attacks on critical infrastructure, key assets, and the public.						
Measure: Cumulative number of air cargo and rail passenger screening pilots initiated.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				4	7
	Actual					
Program: Explosives Countermeasures	$ Thousands		$7,675	$19,911	$46,661	$107,618
	FTE		3	11	61	41

Performance Goal: Advance capabilities for threat discovery and awareness, information management and sharing, linkage of threats with vulnerabilities, and capability and motivation assessments for terrorist organizations.						
Measure: Average expert reviews of improvement in the national capability to assess threats of terrorist attacks.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				7	7
	Actual					
Program: Threat Awareness Portfolio	$ Thousands		$63,100	$89,174	$45,600	$49,532
	FTE		18	18	16	18

Performance Goal: Develop well-designed standards and test and evaluation protocols for products, services, and systems used by the Department of Homeland Security and its partners to ensure consistent and verifiable effectiveness.						
Measure: Number of Department of Homeland Security official technical standards introduced.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				15	20
	Actual					
Measure: Percent of standards introduced that are adopted by Department of Homeland Security and partner agencies.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				67%	75%
	Actual					
Program: Standards	$ Thousands		$33,758	$42,202	$37,117	$27,508
	FTE		6	9	9	11

Performance Goal: Develop effective technologies and tools to increase the capabilities of the Department of Homeland Security operational components to execute their mission to secure the homeland.						
Measure: Percentage of program funding dedicated to developing technologies in direct response to DHS components' requirements.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				80%	85%
	Actual					
Program: Support to Department of Homeland Security Components	$ Thousands		$25,500	$55,148	$84,838	$110,152
	FTE		19	46	53	42

Performance Goal: Establish and sustain a coordinated university-based research, development and education system to enhance the Nation's homeland security.						
Measure: Percent of peer review adjectival ratings on University Programs' management and research and education programs that are very good or excellent.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				78%	80%
	Actual					
Program: University Programs	$ Thousands		$23,015	$120,064	$66,810	$64,596
	FTE		4	13	13	25

Performance Goal: Prevent terrorist attacks by developing effective capabilities to characterize, assess, and counter new and emerging threats.						
Measure: Average customer satisfaction rating with risk assessments to identify potential future threats.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				7.5	(see FY07 EPT)
	Actual					
Program: Emerging Threats	$ Thousands		$11,868	$14,037	$8,484	$0
	FTE		2	9	9	0

Performance Goal: Identify and rapidly develop, prototype, and commercialize innovative technologies to thwart terrorist attacks.						
Measure: Number of prototypes delivered through DHS funded projects through Technical Support Working Group (TSWG), Rapid Technology Application Program (RTAP) and Small Business Innovation Research (SBIR) program.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				4	(see FY07 EPT)
	Actual					
Program: Rapid Prototyping	$ Thousands		$69,430	$69,407	$37,117	$0
	FTE		4	7	7	0

Performance Goal: Prevent terrorist attacks by developing effective capabilities to characterize, assess, and counter new and emerging threats and identify and rapidly develop, prototype, and commercialize innovative technologies to thwart terrorist attacks.						
Measure: Average customer satisfaction with risk assessments to identify potential future threats and customer satisfaction with prototypical technology deliverables which include the Technical Support Working Group (TSWG), Rapid Technology Application Pr	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				NA	7.5
	Actual			Not reportable until Q1FY 2007		
Program: Emergent and Prototypical Technology	$ Thousands			$0	$0	$24,176
	FTE			0	0	9

Performance Goal: Provide effective and economical capabilities to dramatically reduce the threat to commercial aircraft posed by man-portable anti-aircraft missiles.						
Measure: Increase in Mean Flight Hours Between Failure (MFHBF) from Phase II to Phase III.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				1100	3000
	Actual					
Measure: Number of operational flight hours of Counter-MANPADS system conducted in a commercial aviation environment.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				300	3000
	Actual					
Program: Counter Man-Portable Air Defense System (MANPADS)	$ Thousands		$17,133	$54,806	$116,652	$6,056
	FTE		2	7	7	2

Performance Goal: Encourage the development and deployment of anti-terrorism technologies by awarding SAFETY Act benefits to homeland security technology producers.						
Measure: Percentage of full applications that receive liability protection under the SAFETY Act.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				65%	65%
	Actual					
Program: SAFETY Act	$ Thousands		$400	$1,122	$7,423	$8,854
	FTE		2	13	8	2

Performance Goal: Ensure interoperability and compatibility between emergency response agencies at the local, state, and federal levels and standardize federal testing and evaluation efforts for emergency response technologies.						
Measure: Percent of grant programs for public safety wireless communications that include SAFECOM-approved grant guidance.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				100%	100%
	Actual					
Measure: Percent of states that have initiated or completed a statewide interoperability plan, such as the Statewide Communications Interoperability Plan (SCIP).	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				25%	36%
	Actual					
Program: Interoperability & Compatibity	$ Thousands		$1,500	$7,133	$28,102	$36,959
	FTE		6	16	16	14

Performance Goal: Produce actionable information and recommend reliable technologies to help protect U.S. critical infrastructure.						
Measure: Number of analyses/simulations completed on the Critical Infrastructure Protection - Decision Support System (CIP-DSS).	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				4	8
	Actual					
Program: Critical Infrastructure Protection	$ Thousands		$12,118	$69,077	$43,267	$19,157
	FTE		1	8	13	7

Performance Goal: Enable the creation of and migration to a more secure critical information infrastructure.						
Measure: Cumulative number of cyber security data sets contained in protected repository.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target				100	150
	Actual					
Program: Cyber Security	$ Thousands		$10,270	$18,709	$17,710	$28,256
	FTE		1	17	17	11

VI. Digest Tables by FHYSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Bio Countermeasures	100	$ 478,886	100	$ 402,979	161	$ 419,120	61	16,141	-	3,000	61	$ 13,141
(includes NBACC)	-	-	-	-	-	-	-	-			-	-
Chemical Countermeasures	25	64,931	25	100,745	40	103,279	15	2,534			15	2,534
Explosives Countermeasures 1/	11	19,911	61	46,661	41	107,616	(20)	60,955			(20)	60,955
Radiological and Nuclear Countermeasures	23	138,967	9	20,240	-	-	(9)	(20,240)			(9)	(20,240)
Domestic Nuclear Detection Office	-	-	20	317,392	-	-	(20)	(317,392)			(20)	(317,392)
Threat Awareness Portfolio 2/	16	89,174	16	45,600	18	49,532	2	3,932			2	3,932
Standards	9	42,202	9	37,117	11	27,508	2	(9,609)			2	(9,609)
Support of Department of Homeland Security Components 1/	46	55,148	53	84,838	42	110,152	(11)	25,314			(11)	25,314
University and Fellowship Programs	13	120,064	13	66,810	25	64,596	12	(2,214)			12	(2,214)
Emerging Threats 3/	9	14,037	9	8,484	-	-	(9)	(8,484)			(9)	(8,484)
Rapid Prototyping 3/	7	69,407	7	37,117	-	-	(7)	(37,117)			(7)	(37,117)
Emergent and Prototypical Technology 3/					9	24,176	9	24,176			9	24,176
Counter MANPADS	7	54,806	7	116,652	2	6,066	(5)	(110,586)			(5)	(110,586)
SAFETY Act	13	1,122	8	7,423	2	5,854	(6)	(1,569)			(6)	(1,569)
Office for Interoperability and Compatibility	16	7,133	16	28,102	14	36,959	(2)	8,857			(2)	8,857
Critical Infrastructure Protection	8	69,077	13	43,267	7	19,157	(6)	(24,110)			(6)	(24,110)
Cyber Security	17	18,709	17	17,710	11	28,256	(6)	10,546	-	7,100	(6)	3,446
Research and Development Consolidation	-	-	-	105,938	-	-	-	(105,938)	-	-	-	(105,938)
Subtotal, Budget Authority (All Sources)	320	1,243,574	383	1,487,075	383	1,002,271	0	(484,804)	-	10,100	0	(494,904)
Total enacted appropriations and budget estimates	320	1,243,574	383	1,487,075	383	1,002,271	0	(484,804)	-	10,100	0	(494,904)

1/ R&D Consolidation resources requested in FY 2006 are realigned as follows: $99 million for TSL to Explosives and Support to the Components.
2/ Formerly Threat and Vulnerability, Testing and Assessment.
3/ Formerly Emerging Threats and Rapid Prototyping.

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Department of Homeland Security

Domestic Nuclear Detection Office

Research, Development, Acquisition, and Operations

Fiscal Year 2007

Overview

Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Domestic Nuclear Detection Office
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Research, Development, Acquisition, and Operations	---	$0	[14]	[$317,392]	112	$535,788	112	$535,788	92	$197,148	20	$338,640
Subtotal, Enacted Appropriations and Budget Estimates	**0**	**$0**	**[14]**	**[$317,392]**	**112**	**$535,788**	**112**	**$535,788**	**92**	**$197,148**	**20**	**$338,640**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropppriations and Budget Estimates	**0**	**$0**	**[14]**	**[$317,392]**	**112**	**$535,788**	**112**	**$535,788**	**92**	**$197,148**	**20**	**$338,640**

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

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ii. Homeland and Non-Homeland Allocation

Department of Homeland Security
Domestic Nuclear Detection Office
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Research, Development, Acquisition, and Operations	---	$0	---	$0	---	$0	---	[$314,834]	[14]	[$2,558]	[14]	[$317,392]	112	$535,788	---	$0	112	$535,788
- Management and Administration	---	---	---	---	---	---	---	---	---	---	---	---	112	30,468	---	---	112	30,468
- Research, Development, and Operations	---	---	---	---	---	---	---	---	---	---	---	---	---	327,320	---	---	---	327,320
- Systems Acquisition	---	---	---	---	---	---	---	---	---	---	---	---	---	178,000	---	---	---	178,000
Total Direct Appropriations and Budget Estimates	---	---	---	---	---	---	---	[$314,834]	[14]	[$2,558]	[14]	[$317,392]	112	535,788	---	---	112	535,788

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Domestic Nuclear Detection Office

Status of Congressionally Requested Studies, Reports, and Evaluations

1. House Report 109-241, page 79 directs the DNDO to submit a detailed spend plan prior to the obligation of any funds. Target response to Committee is February 2006.

2. House Report 109-241, page 80 directs the Department, in conjunction with the Department of Energy, to provide a report on the progress of various radiation technology efforts, the degree of coordination between Megaports and the Container Security Initiative, the types of technology being deployed at specific locations, and the extent to which next generation technology is being explored and developed for future use. Target response to Committee February 10, 2006.

iv. Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Domestic Nuclear Detection Office
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Research, Development, Acquisition, and Operations	N/A	N/A	N/A	**$535,788**
- Management and Administration	N/A	N/A	N/A	30,468
- Research, Development, and Operations	N/A	N/A	N/A	327,320
- Systems Acquisition	N/A	N/A	N/A	178,000
Total Direct Authorization/Appropriation				**$535,788**

Department of Homeland Security

Domestic Nuclear Detection Office

Research, Development, Acquisition, and Operations

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

DOMESTIC NUCLEAR DETECTION OFFICE
RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

I. Appropriation Overview

A. Mission Statement for Appropriation Name: Key to the success of the Department of Homeland Security is improving the Department's ability to mitigate risks across the entire threat spectrum. In recognition of the catastrophic risk posed by the use of a nuclear weapon within the United States, the Department has integrated all nuclear detection research, development, test, evaluation, acquisition, and operational support in a single office. To this end, the Domestic Nuclear Detection Office will develop the global nuclear detection architecture, and acquire and support the deployment of the domestic detection system to detect and report attempts to import or transport a nuclear device or fissile or radiological material intended for illicit use.

B. Budget Activities:

Systems Engineering and Architecture – The DNDO Systems Engineering and Architecture programs are (1) developing an enhanced global nuclear detection architecture, including both domestic and international components, and (2) establishing, implementing, and supporting a disciplined systems engineering approach throughout the DNDO. The global architecture comprises several key elements: a multi-layered structure of radiological and nuclear countermeasures, both domestic and international; a well-defined and carefully coordinated network of interrelationships among them; and a set of systems engineering based principles and guidelines governing the architecture's design and evolution over time. From its initial stand-up, DNDO recognized the importance and need for the application of a systems engineering approach in achieving an integrated and balanced global nuclear detection system solution. Effective implementation and sustenance of detection systems begins with the design and development of reliable and maintainable systems, built to rigorous established performance standards and specifications, while balancing total system performance and total ownership costs within the family of rad/nuc detection systems context.

Systems Development and Acquisition – The Office of Systems Development and Acquisition serves as the nuclear detection systems Research, Development and Acquisition component within the Domestic Nuclear Detection Office. Systems Development and Acquisition is responsible for the engineering development, production, and all developmental logistics products associated with the current and next generation of nuclear detection systems. The product line includes: passive Radiation Portal Monitors, Radiography, Human-Portable Systems, Materials development and facilitization; and Integration Programs to address the needs of our inter-agency customers (States, Localities, and Tribal Authorities).

Transformational Research and Development – The Domestic Nuclear Detection Office established the Office of Transformational Research and Development to conduct, support, coordinate, and encourage an aggressive transformational program of Research and Development that will

dramatically improve national capabilities to detect and report attempts to import or transport a nuclear device, Special Nuclear Material, or radiological materials intended for illicit use.

Assessments – The DNDO research, development, test, evaluation, and acquisition process is anchored by an independent assessment of technologies as they are developed, deployed, and operated, as well a constant assessment of the overall systems effectiveness of the Nation's detection network, through a variety of means. This approach is motivated by the requirement to thoroughly understand all aspects of systems performance and potential vulnerabilities prior to deploying technologies, and continually reevaluating their performance to ensure an accurate awareness of systems effectiveness.

Operations Support – The Operations Support program is responsible for developing the training, information sharing capability, and analytical tools necessary to create a fully integrated operating environment to be used by Federal, State, tribal, and local law enforcement agencies, as well as the larger intelligence and counterterrorism communities.

Radiological and Nuclear Forensics and Attribution – The Radiological and Nuclear Forensics and Attribution Program (Rad/Nuc FAP) seeks to develop and maintain an enduring national capability for the processing of radiological and nuclear materials and associated evidence for the purpose of comprehensive and timely forensic analysis and attribution. This capability is pertinent to terrorism and criminal investigations in that it can serve to prevent and deter terrorist attacks, or if a threatened or actual attack occurs, to identify and prosecute those responsible. The Rad/Nuc FAP will develop the technical capability to rapidly, accurately, and credible attribute the origins and pathways of intercepted or collected materials, intact nuclear and radiological devices, radiological dispersal devices after detonation, and nuclear devices after nuclear yield. In addition, it can provide decision makers with information necessary to determine appropriate government action.

C. Budget Request Summary: The Domestic Nuclear Detection Office requests 112 positions, 112 FTE, and $535,788,000 for FY 2007. The total adjustments-to-base are 20 positions, 20 FTE, and $338,640,000. The program increases include 92 positions, 92 FTE, and $197,148,000 to:

- Fully staff the DNDO, including the reimbursement of all detailed staff (66 detailed FTE);
- Initiate research, development, test, evaluation, and operations support programs to continue the evolutionary development of the global nuclear detection architecture; and
- Transition the acquisition of fixed radiation portal monitors to include next-generation Advanced Spectroscopic Portals, and begin the acquisition of a Federally-owned "surge" detection capacity, deployable to Federal, State, or local agencies in periods of heightened threat.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Management and Administration	---	---	---	---	112	$30,468	112	$30,468	92	$25,914	20	$4,554
Research, Development, and Operations	---	---	---	---	---	327,320	---	327,320	---	118,234	---	209,086
Systems Acquisition	---	---	---	---	---	178,000	---	178,000	---	53,000	---	125,000
Subtotal, Enacted Appropriations and Budget Estimates	---	**$0**	[14]	[$317,392]	112	**$535,788**	112	**$535,788**	92	**$197,148**	20	**$338,640**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	---	**$0**	[14]	[$317,392]	112	**$535,788**	112	**$535,788**	92	**$197,148**	20	**$338,640**

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

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III. Current Services Program Description by PPA

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Program Performance Justification
(Dollars in thousands)

PPA: MANAGEMENT AND ADMINISTRATION

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	...	...	...
2007 Adjustments-to-Base	20	20	$4,554
2007 Current Services	**20**	**20**	**$4,554**
2007 Program Change	92	92	$25,914
2007 Request	**112**	**112**	**$30,468**
Total Change 2006-2007	112	112	$30,468

The Domestic Nuclear Detection Office requests $30,468,000 for this activity. This is an increase of $30,468,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Mission Description and Justification:
The Management and Administration request provides for the execution of salaries, benefits, and expenses related to 112 FTE.

As a jointly-staffed office, the DNDO staff is made up of approximately 66 interagency detailees, augmenting the approximately 46 DNDO Federal staff members. Prior to FY 2007, these detailees were provided by the parent organization on a non-reimbursable basis. However, beginning in FY 2007, the DNDO has agreed to reimburse parent organizations for all detailed staff. Additionally, the staff of the DNDO is expected to continue to grow to the full compliment of 112 FTE (DNDO employees and detailees) throughout FY 2007, through continued hiring of DNDO employees.

Additionally, the Management and Administration request includes all DNDO rent payments and contributions to the DHS Working Capital Fund.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Program Performance Justification
(Dollars in thousands)

PPA: RESEARCH, DEVELOPMENT, AND OPERATIONS

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	...	...	...
2007 Adjustments-to-Base	...	...	$209,086
2007 Current Services	...	...	**$209,086**
2007 Program Change	...	...	$118,234
2007 Request	...	...	**$327,320**
Total Change 2006-2007	...	...	$327,320

The Domestic Nuclear Detection Office requests $327,320,000 for this activity. This is an increase of $327,320,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Mission Description and Justification:
Because no single detection layer can prevent the illicit importation of nuclear or radiological material, partnerships across Federal, State and local government agencies and the private sector are critical in creating a well coordinated, layered defense. To meet this need, the DNDO is responsible for developing the overall global detection architecture, with the significant involvement of all relevant Federal agencies and State and local stakeholders. The DNDO will assess and link existing programs, in addition to initiating new programs. This approach will ensure that architecture deployments proceed as part of a unified prevention, detection, and interdiction strategy. This strategy is based on defendable and measurable assessments of the effectiveness of specific system components. The resulting architecture will then be steadily improved by developing better detection technologies, real-time reporting of detection alarms, and rapid and effective responses to real threats.

The architecture also provides a clear roadmap for all DNDO activities, be it research, development, acquisition, or operations. Outcomes from DNDO programs will address gaps identified by the architecture analysis. This ensures that DNDO programs are firmly grounded in operational needs.

The DNDO has the lead responsibility for conducting the necessary research, development, test, and evaluation (RDT&E) to implement the proposed domestic nuclear detection system. In this regard, the DNDO is initiating several major technology development programs to meet immediate operational requirements. This includes programs in passive spectroscopic portal systems, advanced radiography imaging systems, and advanced handheld, backpack, and mobile detection systems. A major tenet of these development programs is an emphasis on high-fidelity test and evaluation as well as user-based operational testing, followed by rigorous red team assessments of deployed systems. Furthermore, the DNDO will provide significant and sustained funding to ensure that the National Laboratories, the private sector, and academia are devoting the best minds to the advancement of detection technologies.

While technology is a critical tool in combating terrorism, the nuclear threat cannot be effectively overcome by technology alone. Accordingly, the DNDO has initiated significant efforts to ensure that the right people and infrastructure are in place to develop a fully-integrated operating environment. Key to this integration is the ability to fuse detection data and intelligence assessments in a near real-time environment to maintain situational awareness. This requires that the DNDO maintain a close, working relationship with the Intelligence Community. This integrated approach to detection and information analysis will ultimately provide substantial improvements in alarm resolution, threat assessments, data trend analysis, and, most importantly, overall probability of mission success.

Developing a fully-integrated operating environment extends beyond establishing information sharing and analysis capabilities. Information can only be utilized effectively if it is shared in a timely manner with the appropriate personnel, based on established protocols. To facilitate this process, all detection equipment deployed using DNDO resources will be accompanied by thorough training and exercise materials and established response protocols for resolving alarms.

Systems Engineering and Architecture – The DNDO Systems Engineering and Architecture programs are (1) developing an enhanced global nuclear detection architecture, including both domestic and international components, and (2) establishing, implementing, and supporting a disciplined systems engineering approach throughout the DNDO.

The global architecture comprises several key elements: a multi-layered structure of radiological and nuclear countermeasures, both domestic and international; a well-defined and carefully coordinated network of interrelationships among them; and a set of systems engineering based principles and guidelines governing the architecture's design and evolution over time. The architecture is developed with interagency and intra-DHS partner inputs, as part of the organic DNDO systems architecture staff.

At the time of the formation of the DNDO, the global nuclear detection system existed as a disparate patchwork of systems, distributed and implemented in recent years across multiple departments, jurisdictions and locations without the benefit of a centralized plan or strategy. From its initial stand-up, DNDO recognized the importance and need for the application of a systems engineering approach in achieving an integrated and balanced global nuclear detection system solution. Effective implementation and sustenance of detection systems begins with the design and development of reliable and maintainable systems, built to rigorous established performance standards and specifications, while balancing total system performance and total ownership costs within the family of rad/nuc detection systems context.

The established and implemented DNDO systems engineering approach provides a foundation and a unified, consistent methodology for everything DNDO does, from setting requirements and specifications, to research and development, acquisition planning and execution, testing and evaluation, and operations.

Systems Development – The DNDO, as the nuclear detection research component of the Department, is responsible for ensuring that this Nation maintains a preeminent research and development program to address the technical challenges in radiation detection science and technology, while at the same time capitalizing on the benefits of integrating this program with larger acquisition efforts. In response, the DNDO has implemented a consistent development methodology to address technical requirements arising from gaps in operational capabilities. This methodology begins with the competitive selection of multiple vendors to facilitate engineering development, with the resulting

delivery of operational prototypes. The delivered prototypes will be thoroughly tested and evaluated to fully understand equipment capabilities prior to any acquisition selection. Additionally, prior to the beginning of system deployments, appropriate training, operations, and response protocols must be developed to ensure that deployed systems are operated properly and any alarms are appropriately resolved and reported.

Transformational Research and Development – The DNDO has established a transformational research and development program to identify, explore, and develop scientific and technological approaches that will dramatically improve the performance of nuclear detection components and systems. One of the primary motives for the establishment of the DNDO was to create such a mechanism for significant and sustained funding into radiation detection technologies through innovative approaches. Historically, these efforts have been driven by the rise and fall of arms control treaties and nuclear weapons development. Today the face of terrorism demands a long-term continuous effort to improve our abilities to sense the presence of dangerous nuclear materials in the midst of deliberate shielding.

Dramatic technological improvements may be defined in a number of ways: in system or component effectiveness and performance characteristics; in cost of acquisition or maintenance; or in ease of operation by users in the field. R&D investments will be made based on competitive awards, with investigators in all sectors – government laboratories, academia and private industry – encouraged to participate. This program will take advantage of the qualities and respective advantages of all three sectors to develop products, and will strongly encourage teaming among them.

Two instruments will be used to implement our transformational R & D program. The first of these will be a series of well-funded, multi-year technical challenge areas that will span the technology needs and gaps in the Nation's nuclear detection architecture. Research participants will be selected through Broad Agency Announcements (BAAs) that solicit proposals in each challenge area. The other will be an Academic Research Initiative, based at universities, with a lead institution to be selected on a competitive basis. This institution will operate as a hub in promoting R&D among all three sectors, as above, and will develop a program that emphasizes incubating innovative ideas that may initially be small in scope, at an early stage of development, or that may be of high risk, but could result in high payoffs.

In addition to defining and executing the research programs previously described, mechanisms are in place to ensure active coordination with other agencies funding related research and development. These agencies include the Department of Energy (DOE) nonproliferation nuclear detection programs, various Department of Defense programs, including detection R&D programs at the Defense Threat Reduction Agency, and the Intelligence community. Other examples are the Transportation Security Administration (TSA) and DHS S&T high-explosive detection technology programs, which could be integrated with DNDO-developed systems to detect nuclear shielding materials and radiation threats in air cargo and luggage, and the National Science Foundation (NSF), which supports enabling technologies for radiation detection. Further, DNDO has established measures and procedures to assure the successful transition of select product prototypes into systems development and systems acquisition programs for further development and eventual acquisition for field use

Test and Evaluation Planning and Operations – The DNDO research, development, test, evaluation, and acquisition process is anchored by an independent assessment of technologies as they are developed, deployed, and operated, as well a constant assessment of the overall systems effectiveness

of the Nation's detection network, through a variety of means. This approach is motivated by the requirement to thoroughly understand all aspects of systems performance and potential vulnerabilities prior to deploying technologies, and continually reevaluating their performance to ensure an accurate awareness of systems effectiveness.

Red Teaming and System Assessments – As part of the overall assessments mission of the DNDO, continuous evaluation or system performance is required, including threat and vulnerability assessments, assessments of proposed architectures, modeling and simulations, and operational red teaming, both domestic and international. The basic objective of the DNDO red team is to deepen DNDO understanding of adversary capabilities and potential and likely responses to DNDO and national efforts to significantly improve our domestic nuclear detection capabilities. This team will develop into surrogate adversaries to contest DNDO strategies, concepts and approaches, making them more robust and better to deal with resourceful and adaptive adversaries.

Information and Analysis – While technology is a critical tool in combating the nuclear threat, it cannot be effectively overcome by technology alone. All efforts must be conducted in coordination with Federal, State, Tribal, and local law enforcement agencies, as well as the larger intelligence and counterterrorism communities. Accordingly, while the DNDO has initiated large-scale technology research, development, and acquisition programs, the Information and Analysis program is responsible for developing the information sharing and analysis tools to create a fully integrated operating environment. The DNDO must ultimately have the ability to fuse detection data and intelligence assessments in a near real-time environment to maintain an overall system and situational awareness. While this will require the DNDO to closely interact with the Intelligence Community as a developer of intelligence requirements and consumer of intelligence products, *the DNDO will not act as an intelligence collection agency*. This integrated approach to detection and information analysis will ultimately provide substantial improvement in alarm resolution, threat assessments, data trend analysis, and, most importantly, overall probability of mission success.

To meet the Information and Analysis mission, the DNDO has established the Joint Center for Global Connectivity (JCGC). The JCGC will enhance the effective sharing and use of nuclear detection information and intelligence from all mission related detection systems to provide a greater situational awareness of the nuclear and radiological threat. By fusing the international and domestic detection streams and information generated by the intelligence and counterterrorism communities, the JCGC will be able to provide a better informed decision making environment, enabling more effective alarm resolution, trend analysis, and threat awareness. Additionally, this information and analysis capability will be integrated with a detailed understanding of current and future detection system performance to increase our awareness and confidence in the global detection architecture.

Support to Field Operations – As nuclear detection technology is deployed across the global architecture, the Federal government must commit to providing the necessary technical support to ensure that equipment is used effectively, alarms are resolved accurately, and the appropriate personnel are notified in the event of a legitimate detection of a threat. In recognition of this need, the DNDO provides operational support services, including 24/7 technical reachback support for alarm resolution, effective training and response protocols, and operational support coordination to ensure appropriate expertise is in place to support prompt resolution of nuclear/radiological detection alarms. The effective utilization of these services will assure that deployed equipment is properly used and alarm information is reported and escalated to response agencies when appropriate.

Radiological and Nuclear Forensics and Attribution – The Radiological and Nuclear Forensics and Attribution Program (Rad/Nuc FAP) seeks to develop and maintain an enduring national capability for the processing of radiological and nuclear materials and associated evidence for the purpose of comprehensive and timely forensic analysis and attribution. This capability is pertinent to terrorism and criminal investigations in that it can serve to prevent and deter terrorist attacks, or if a threatened or actual attack occurs, to identify and prosecute those responsible. The Rad/Nuc FAP will develop the technical capability to rapidly, accurately, and credible attribute the origins and pathways of intercepted or collected materials, intact nuclear and radiological devices, radiological dispersal devices after detonation, and nuclear devices after nuclear yield. In addition, it can provide decision makers with information necessary to determine appropriate government action. The Rad/Nuc FAP encompasses:

- Development of sample collection and analysis infrastructure;
- Research, development, testing, and evaluation (RDT&E) of radiological and nuclear signatures;
- Development of radiological and nuclear domain expertise and knowledge management infrastructure; and
- Radiological and nuclear forensics and attribution operations and exercises.

This program is jointly managed by DHS and the FBI, and integrates facilities and expertise within DOE, DoD, and other partner agencies. A "hub and spokes" network of laboratories and associated facilities is being configured to conduct comprehensive and timely forensics and attribution to support the law enforcement and intelligence communities; DoD, public health, and other Federal partners; and other customers.

FY 2006 Plan:

Systems Engineering and Architecture – The DNDO competitively awarded the Systems Engineering Support Program contract in August 2005. This contract serves as the DNDO's primary vehicle to implement and institutionalize systems engineering processes and principles across every DNDO function and mission. Expenditures in FY 2006 are focused on accomplishing a number of tasks, as outlined below:

- Develop the Systems Engineering Master Plan and the Master Test and Evaluation Program Plan (MTEPP) to provide a technical framework and documentation for the global nuclear detection architecture;
- Establish a systematic process to coordinate with the DNDO Joint Requirements Board (JRB), which includes interagency detection system operators and users, to understand, capture, and evaluate user-defined requirements and capabilities;
- Complete initial translation of requirements into engineering specifications for the Cargo Advanced Automated Radiography System program, sodium iodide (NaI) detector crystals, and next generation handheld and backpack detection systems;
- Complete an engineering system trade study and modeling of portal deployment scenarios and commence additional trade studies to support implementation decisions for gaps and priorities identified in the global architecture;
- Develop a comprehensive database describing currently deployed radiation detection systems and those planned for near-term domestic deployment;
- Begin a comprehensive assessment of the global detection information technology (IT) architecture, focused on optimizing information flow; and

- Develop a preliminary design of an integrated system accounting for connectivity to overseas assets, as well as Federal, State, and local continental United States (CONUS)-based systems.

A major systems engineering thrust in FY 2006 is the chartering and implementation of functional IPTs to assure accountability of system design considerations for critical life-cycle factors such as interoperability; software requirements; commercial-off-the-shelf options; manufacturing capability; quality; reliability, availability and maintainability; supportability; human systems integration; environment, safety and occupational health; corrosion prevention and control; disposal; information assurance; anti-tamper provisions; system security; and accessibility.

The first version of the enhanced global nuclear detection architecture was completed in November 2005 and coordinated with key stakeholders. The findings were initially presented in the form of briefings; stand-alone summary reports with supporting documentation will be available in May 2006. Although the detailed analysis of system effectiveness and vulnerabilities is not suitable for public release, selected non-sensitive portions of the architecture and supporting analysis will be available in broad-distribution form at that time.

While the baseline architecture will continue to be documented, the architecture team has begun to explore options for strengthening the architecture in the near and long-term. These options will be examined in terms of risk reduction, direct and indirect costs, operational feasibility, and other relevant decision factors. In addition, recommended enhancements are being identified and prioritized. The DNDO and its internal interagency staff are reviewing and refining the recommendations to reflect the full range of technical and policy factors that must be addressed in determining the preferred overall architecture.

The international portions of the architecture are being developed in close coordination with the DoD, DOE, and DOS, as well as components of DHS with international responsibilities and relationships. The border portions are closely coordinated both within DHS (e.g., with CBP and the Coast Guard), as well a with other relevant agencies. The interior portions of the architecture are being closely coordinated with the DOJ, Federal Bureau of Investigation (FBI), and other Federal, State, and local entities.

Systems Development – Primary amongst the development programs planned for FY 2006 is the ASP program, which was initiated in early FY 2005. The ASP program improves upon existing polyvinyl toluene (PVT) - based radiation portal monitors which are currently being deployed to the Nation's Ports of Entry (POEs), as well as overseas venues through the Department of Energy's Megaports program and via the DHS Container Security Initiative (CSI). ASP systems address a substantial capabilities gap in the currently deployed architecture by increasing the probability of detecting a smuggled nuclear device, while decreasing the probability of falsely alarming on naturally occurring radioactive materials or innocent radioactive materials (such as granite tiles, ceramics, and kitty litter) or incorrectly dismissing nuclear material. ASP systems use their ability to identify the source of detected radiation through spectroscopic isotopic identification to accomplish this.

With current-generation systems, which only indicate the presence of radiation but provide no information as to its identity, operational requirements often require a 'sensitivity threshold' to be set to alleviate the need for labor-intensive and time-consuming secondary inspections. ASP systems do not implement this type of threshold. Rather, ASP portals systems automatically detect all sources of radiation – and use the identification capability to sort the threat material from the innocent sources of radiation. The use of spectroscopic identification will dramatically reduce false positives – and allow

for considerably improved throughput at high-volume ports, while simultaneously improving our security.

FY 2005 efforts resulted in the selection and award of ten contracts for prototype development and manufacture. Each of the ten vendors developed and delivered one ASP portal to the Nevada Test Site for high-fidelity testing. The results of this testing (conducted from August to October 2005) will be used in FY 2006 to competitively select several vendors to conduct engineering development, low rate and full scale production of ASP systems. ASP systems include several variants (e.g. standard cargo portal, rail portal, POV) appropriate to the CBP venues. DNDO intends to award contracts in the third quarter of FY 2006. The DNDO intends to award contracts for medium resolution ASP portals (based on NaI-based crystal technology) and contracts for high resolution systems (based upon high-purity germanium (HPGe) or high pressure xenon (HPXe) sensor technology).

Fundamentally, DNDO asserts that detection of special nuclear material must be accomplished with a combination of passive spectroscopic systems and advanced radiography systems. Together, these two technologies provide a capability to detect unshielded, lightly shielded and heavily shielded nuclear materials, components and weapons that may be illicitly transported in cargo containers, air cargo bundles or other conveyances.

While spectroscopic portals will provide a next generation capability to passively detect unshielded or lightly shielded nuclear materials, no passive system can detect nuclear materials that are heavily or completely shielded. DNDO estimates that 65% of the material imported in cargo containers will be shielded to the extent that passive spectroscopic systems will be unable to find it. Radiography systems (using active imaging techniques) are indicated as a solution to the detection of this shielded material.

Current radiography systems, however, lack the ability to automatically detect shielded special nuclear materials. Current radiography devices, similar to one dimensional x-ray devices used in a doctor's office, do not provide the capability to distinguish between innocent materials such as steel, and aluminum; shielding materials such as lead; and threat materials such as uranium or plutonium. Current radiography devices generally produce a simple gray-scale image that requires an operator to provide a possible interpretation. In the medical imaging field, successful use of simple x-ray radiography is made possible by the consistency of the expected outcome, and the extent to which deviations from this expected outcome indicates a problem (e.g. the dental x-ray of 'healthy' teeth is well understood, cavities are easily seen). Even in this simple case, each image might take a skilled professional several minutes to analyze. In the case of cargo inspection, the expected radiographic image is very uncertain. Given the seemingly infinite combination of items that may be loaded into a cargo container, one-dimensional radiographic inspection by Customs and Border Protection Officers has proven to be quite difficult. While skilled CBP operators do indeed find a variety of contraband (including guns, drugs, and people attempting to illegally enter the country), the existing radiography systems do not provide them with an appropriate tool to find shielded nuclear material – as this material appears to be similar to many ordinary materials in a standard two dimensional x-ray. In addition to the impracticality of finding shielded special nuclear material (SNM) in cargo because of its similarity to standard cargo, the labor intensive nature of the current machines inherently limit the number of scans which can be accomplished with the current limited staff of CBP officers. In fact, CBP typically inspects only approximately 5% of all incoming cargo containers.

The Cargo Advanced Automated Radiography System (CAARS) will address both of these deficiencies (ability to 'see' SNM in the image, and throughput rate) – and thereby reduce the vulnerability of the United States. It will scan cargo containers or other conveyances of interest and provide an automated alert based upon the threat. The implemented technology will distinguish between low density non-threat materials such as aluminum and steel, and higher density materials such as lead, uranium or plutonium. CAARS will also be capable of the detection of traditional contraband such as high explosives and drugs, but may not do so with the same level of automation. Search for traditional contraband will continue to require operator image analysis.

The DNDO will launch, in FY 2006, the CAARS program to automate radiographic image processing, as well as provide considerable improvements in the rate of radiographic inspection, striving to achieve 50% coverage within the next 5 years.

The DNDO will competitively award up to three twenty-four (24) month concept development and prototype manufacture contracts to demonstrate several advanced imaging and automated detection techniques (current technologies include computed tomography, dual-energy radiography, and nuclear resonance fluorescence). These higher resolution imaging techniques will provide the necessary data required to provide more accurate density estimation and automated image alert processing, removing the need for human operators to analyze each resulting image. This improvement would result in automated detection or dismissal within seconds rather than the current five-minute human inspection rate, and improve throughput rates from approximately 12 containers per hour to approximately 120 containers per hour. The maximum passive sensitivity achieved by ASP, when coupled with the automated radiography achieved by CAARS provides a comprehensive solution for our manned ports of entry (POE).

The ASP and CAARS systems deployed at our official POEs only fulfill one element of the overall nuclear detection systems architecture. The DNDO systems development program also includes a program to deliver next generation handheld and man-portable systems required by operators such as the U.S. Coast Guard, CBP, Border Patrol, State, local and tribal law enforcement agencies and first responders. These handheld, mobile and backpack systems are used as primary detection tools by our Border Patrol and USCG personnel subsequent to interdiction. CBP uses this equipment as a secondary inspection tool; while state, local and tribal law enforcement agencies and first responders use this equipment for queued search and secondary identification.

While handheld detection systems have been available for some time, their performance in their required operational environments is insufficient. These systems can be greatly improved, particularly with regards to their probability of detection, probability of correct isotopic identification, their ability to communicate with a joint reachback center and their ability to survive in the rugged operational environments in which they are used. The DNDO is currently developing technical specifications and requirements for next-generation handheld systems and will award contracts for the design, engineering, and prototype manufacture of these systems in FY 2006. These systems will likely incorporate new high-resolution detector materials such as HPGe, lanthanum halides, or cadmium zinc telluride.

In FY 2006, the DNDO will initiate the Securing the Cities initiative that will develop regional deployment strategies aimed at achieving the most effective and integrated use of detection equipment for domestic detection and interdiction.

The Securing the Cities initiative will provide design engineering support to State and local agencies in the development of procurement, deployment and lifecycle upgrade strategies suited to their individual locale. This support will enable the DNDO to ensure that State and local agencies will acquire and deploy systems with proven performance characteristics, that these deployments are consistent with the global detection architecture, and that they will be interoperable with the DNDO Joint Center for Global Connectivity. Once the city-wide deployment strategy has been developed, the DNDO will be able to provide Federally-owned equipment to State and local agencies on a short-term basis, allowing these agencies to gain a familiarity with equipment. Eventually, the State and local agencies may purchase equipment, as well as related training, exercise, and support packages, using Federal grant funding, thus freeing up the Federally-owned equipment for use in additional engagements.

In FY 2006, the Securing the Cities initiative will select and engage candidate high-risk regions. The DNDO will purchase a limited set of equipment to be used for proof of design efforts. The DNDO will prioritize cities and begin the high-level architecture development that will provide a baseline for all State and local deployments.

Transformational Research and Development – In FY 2006, the DNDO will establish a Transformational Research and Development program to explore and develop novel or advanced concepts for nuclear detection. This research program will be conducted through three "tracks": exploratory research, Advanced Technology Demonstrations, and academic research.

Exploratory Research – In FY 2006, the DNDO will fund exploratory research in all areas and disciplines that could have a dramatic impact on nuclear and radiological detection technology and performance. These research areas have been organized as into the following broad categories:

- innovative detection materials and concepts;
- algorithm development for components and systems;
- advanced SNM interrogation and verification; and
- physics-based phenomenology studies.

Innovative detection materials and concepts: The discovery and development of new detection materials or concepts is a major focus of DNDO exploratory research over the next five years. Significant advances in radiation detection technology could potentially impact all capability gaps in our present detection architecture, from the ubiquitous, distributed network of inexpensive radiation detectors to highly sensitive, standoff detection systems for sensing mobile threats in transit.

The mid-term goals for next-generation gamma detection technologies are challenging, but within reach over the next five years: energy resolution of better than .5% with significant improvement in overall detection efficiency. Operation at room temperature and directional acuity are highly desired.

Neutron detection goals focus on the discrimination of neutrons from background and screening sources (including photons) and those generated by the fission chain of SNM. These challenges will require energy discrimination between thermal, epithermal, and higher-energy neutrons, significantly greater processing speeds to discriminate prompt and delayed neutron signatures, the ability to reliably discriminate photons from neutrons, and directional information for standoff neutron detection.

The DNDO will solicit and fund research in the following areas: search for new detection materials (specifically scintillation materials and semiconductor materials); improve the performance of the

current leading candidates through advances in associated electronics and bonding technologies; investigate new fabrication/manufacturing techniques for producing higher purity materials at lower cost; accelerate the development of directional detection technology for both small and large application venues; and explore innovative detection concepts that directly measure the energy and direction of impinging photons and neutrons without absorbing materials.

Algorithm development for components and systems: Algorithms are needed for nearly every stage of detection technology innovation, from exploratory research, through prototype development, and to the final operational system. In research and development, physics-based models and simulations are employed to articulate and verify the critical physical properties of materials, devices, and/or integrated systems. After verifying and calibrating against experimental data, these algorithms are used to predict performance beyond the test bed, to optimize commercial design performance by varying select parameters, and to perform cost-benefit trade analysis for the defense architecture. Some of these algorithms may end up as part of deployed detection systems to process incoming data in reverse: spectral data from detectors used to discriminate radioactive isotopes; radiography data processed for image reconstruction.

In support of the detection mission, DNDO will fund algorithm development as follows: adapt and upgrade the leading Monte Carlo codes, developed by the National Laboratories over the past 50 years, for detection applications; develop new physics-based simulation codes to model detectors, devices and systems; produce the next generation of decision algorithm codes used for spectral analysis and in RIID devices.

Advanced SNM interrogation and verification: The detection and verification of shielded SNM is the one of the primary and most challenging missions of the DNDO. Advances in passive spectral detection technology – energy resolution, speed, sensitivity, cost, size – will help to increase the detection of SNM in weakly shielded enclosures, but well shielded SNM continues to present a challenge. Transmission radiography technology, such as those being developed in the CAARS program, will detect shielding and SNM of sufficient size, but will not verify the presence of SNM. Advanced concepts and component technologies are needed to detect and verify SNM at multiple application venues, including:

- alarm resolution in high throughput ports;
- air cargo at foreign ports of departure;
- vehicles or persons crossing U.S. land borders at and between ports of entry;
- boats and small ships near the U.S. coastline; and
- remote, standoff interrogation – both covert and overt – of vehicles and general aviation.

DNDO will fund research that explores new concepts, approaches and signatures that will, if successful, have a significant impact on SNM detection and verification. DNDO will continue to invest in new concepts such as the nuclear resonance fluorescence (NRF) – a new signature – that can turn an x-ray screener into an isotopic discrimination device for the verification of HEU, plutonium, shielding material, explosives, and any other contraband of interest.

Physics-based phenomenology studies: DNDO will fund studies of physics-based phenomenology to understand and exploit the limits of physics for detection and identification of nuclear and radiological materials. Specifically, in FY06, the DNDO will focus on the characterization of the "long-dwell, in-transit" radiation environment in large cargo-container ships. This type of research could lead to the

development of cost-effective technologies with unprecedented discrimination capability. These technologies could lead to, for example, the creation of a detection system that could be integrated into supply chain security systems applicable in air, land, and sea transportation. In FY 2007, the results of this study will end in a solicitation for an Advanced Technology Demonstration (ATD) of long-dwell, in-transit detection prototypes.

Advanced Technology Demonstrations – In FY 2006, the DNDO will fund 3-year prototype-development efforts for stand-off detection and imaging and for smart personal radioisotope identifiers (RIIDs) and imagers.

Stand-off detection and imaging addresses the need for the capability to locate and identify nuclear threat materials at a distance, in both land and maritime environments. Imaging techniques will be studied for sensitivity, directional accuracy, and isotope identification accuracy. The goal is to extend the range of detection to over 100 meters, potentially allowing for airborne platform applications. The DNDO will look at key existing technologies like gamma-ray imaging, advanced alarming algorithms, and sensor and data fusion techniques that may dramatically improve sensitivity and directional accuracy. This program will culminate in an advanced technology demonstration at the Rad/NucCTEC for comprehensive testing and evaluation in FY 2008.

Smart personal radioisotope identifier and imager is intended to ultimately replace the existing, ineffective radiation pager with a pocket-sized RIID that will wirelessly communicate with similar devices in the vicinity, automatically combining data to increase sensitivity and triangulate directional information. These devices must have sufficient energy resolution and sensitivity to reliably discriminate between NORM, background, and potential threats, and will used by law enforcement, first responder, counterterrorism, and possibly intelligence agencies in routine activities and surveillance, maintaining constant vigilance at all defensive layers. This advanced technology demonstration stage will culminate in an ATD at the Rad/NucCTEC for testing and evaluation in FY 2009.

Academic Research – In FY 2006, the DNDO will solicit proposals from colleges and universities to for DNDO Academic Research. Institutions will be encouraged to form teams with one university as the lead and "hub". Although only one team will be competitively selected, a portion of the Academic Research funding will be used to fund academic research in institutions outside the selected team. The initial FY 2006 budget will be used to establish administrative and management functions and to begin the process of soliciting, evaluating, and selecting academic research proposals, planning and preparing workshops and symposia, educating the academia, private industry and the national/government labs on its near-term and long-term program plans and activities.

Test and Evaluation Planning and Operations –
Radiological and Nuclear Countermeasures Test and Evaluation Complex (Rad/NucCTEC) –
Construction of the Rad/NucCTEC will be completed at the Nevada Test Site by November 2006. Due to its location and proximity to the Device Assembly Facility (DAF), the Rad/NucCTEC will provide the capability for high-fidelity testing of detection systems against special nuclear materials in significant quantities and in realistic configurations. This facility will provide a unique capability within the USG to bridge the gap between "bench-top testing" performed by developers and operational field-testing including pilot deployments. The Rad/NucCTEC will include appropriate capabilities to support the development, test, and evaluation of active and passive radiation detection systems.

T&E, Pilots, and Demonstrations – In FY 2006, the DNDO will execute a test and evaluation (T&E) program that includes further-developing its own T&E capabilities, as well as direct acquisition support (i.e. providing T&E for planned and deployed products such as ASP, CAARS, handheld detectors) and pilot programs:

Building T&E capabilities – In keeping with its focus on rigorous systems engineering processes, the DNDO will be developing a MTEPP that will provide administrative guidance for oversight of all T&E conducted under the auspices of the DNDO. The MTEPP establishes the planning, execution, and reporting processes and procedures that the DNDO will follow to all test and evaluation and pilot programs. It outlines the T&E management approach, the organization of the required working groups and support teams, along with their assigned responsibilities. Also included is a Milestone Review Process and corresponding documentation required at each step. The MTEPP includes a summary of resources required for the T&E efforts, including test articles, test sites, test support equipment, threat representation, models and simulations, funding and personnel requirements, and test personnel training. The MTEPP and subsequent individual Test Execution Plans will be developed and maintained within this program.

The DNDO will also develop standards and protocols in cooperation with the National Institute of Standards and Technology (NIST). A formal certification process will be developed to provide all vendors the opportunity to demonstrate compliance with DNDO performance requirements. A qualified equipment list will be developed to aid in the selection of equipment by the DHS Office of Grants and Training (formerly the Office of Domestic Preparedness).

In support of T&E activities at the Rad/NucCTEC, the DNDO will procure, develop, and maintain a supply of test articles, including critical (threat-representative) sources, simulants, and representations of naturally-occurring radiation materials. The development of these test objects will continue to improve the DNDO ability to provide highly realistic testing environments and evaluation tools to support development and acquisition programs.

The DNDO will undertake efforts to improve the ability to analyze the enormous amounts of data generated by the test programs. This will include the development of modeling tools to facilitate the analysis of test data, as well as a data quality assurance and control program.

Support to development and acquisition programs: The DNDO T&E program serves, in many ways, as a support program to the systems development and acquisition and transformational R&D programs. The T&E program provides the infrastructure and institutional experience necessary to conduct independent evaluations of developed technologies. Additionally, the T&E program provides venues for R&D and acquisition program managers to evaluate prototype systems prior to technology transitions or acquisition decisions.

Several test and evaluation series will support systems development as part of the ASP program. Developmental test and evaluation will be completed for the first and second rounds of improvement to the ASP product-family using threat-representative sources. Operational performance of the low-rate initial production ASP systems will be measured at a variety of venues, including land crossings, rail crossings, secondary inspection stations, and using mobile platforms. Pilots of ASP technology will be conducted at two domestic venues to develop appropriate CONOPs for State and local authorities, and to acquire realistic data for architectural analysis.

The DNDO T&E program will conduct a comprehensive evaluation of currently available hand-held radioisotope identifiers, backpacks and other search tools, and mobile platforms. Lessons learned as a consequence of these tests will form the basis for the research and development requirements for next-generation technology development efforts.

Because of the vastly different technical approaches to materials detection between passive detection systems such as ASP and active imaging systems under development in the CAARS program, T&E preparation for CAARS will differ considerably from previous ASP test series. The DNDO will begin preparing for test and evaluation of these active imaging systems, including the design and manufacture of threat-representative test objects, site preparation, and methods for evaluating automated image analysis software.

Test and evaluation is also being planned and will be conducted in support of the NaI crystal production program. The DNDO will enable a quality assurance and control process to ensure that crystals developed by the vendors reliably and repeatedly meet DNDO requirements and specifications.

Pilot Programs: As part of the Test and Evaluation Planning and Operations program, the DNDO will conduct the Congressionally-mandated effort to deploy radiation detection systems at highway weigh stations. The deployment effort will include thorough testing of detection and communications technologies, development of appropriate CONOPs for preventive detection and resolution of alarms, curricula for training State and local authorities in the use of the technologies and execution of the CONOPs, and the development of a communications capability for effective information sharing as well as the acquisition of realistic data for defensive architectural analysis. The DNDO will also conduct other test and evaluation efforts as needed in true operational settings (airports, maritime terminals, and along roadways and railways) in conjunction with end-users to support the development of the Nationwide nuclear detection architecture.

Red Teaming and System Assessments – In FY 2006, the DNDO will initiate planning of Red Team efforts and stand up an Adversarial Cell as part of the system assessments program, with participants from multiple Federal agencies. Plans will be developed drawing on resources such as open source reviews, behavior and technology assessments, and existing vulnerability studies. The Adversarial Cell will initiate the development of an evolving Adversary Playbook and White Cell operation to challenge deployed and proposed detection and response architectures.

Additionally, this program will identify and stand up an Exercise Opposing Forces (OPFOR) Cell with responsibility for participating in a series of Table Top Exercises and Command Post Exercises (CPX), as well as providing an on-the-ground OPFOR Cell during protocol testing and pilot program development in order to challenge assumptions and provide feedback to systems architects. The Exercise OPFOR Cell will also begin development of exercise scenarios. The overall threat objects and procedures used for both component validation and operational effectiveness testing of deployed systems will be reviewed to ensure that they accurately replicate the full range of potential threats.

In FY 2006, one active (Red Team) exercise will be conducted focusing on various aspects of the overall detection architecture. Lessons learned and gathered and archived data, including recommendations to mitigate potential vulnerabilities, will be captured and shared within DHS and

across other Federal agencies. Planning and preparation for exercising against FY 2007 pilot programs will be initiated in FY 2006.

In addition, the DNDO will spearhead the development of methodologies, required support agreements with other Federal, State and local government agencies, and Memoranda of Agreements with international partners (FY 2007) to permit the conduct of Red Team operations and OPFOR efforts to allow evaluations of the effectiveness of the outer layers of the global nuclear detection architecture.

Finally in FY 2006, the DNDO will stand up a Net Assessment Cell with initial responsibility for gathering and reviewing operational data from DHS (CBP, USCG), operational entities in other Departments, and State and local agencies to determine trends and key systems performance parameters, as defined by system engineering studies. Pilot program studies will be assessed to extract quantitative data for use in architecture development and system effectiveness studies.

Information and Analysis – The JCGC will continue its current core activities (previously conducted as the "Nuclear Assessment Program") in assessing communicated nuclear threats and monitoring world-wide illicit trafficking in nuclear and radiological materials, and assessing illicit nuclear trafficking incidents and trends. Additionally, there will be significant emphasis on strengthening processes and enhancing the JCGC's information infrastructure at the Homeland Security Operations Center (HSOC) to better facilitate information integration.

The JCGC will begin to define and assess the IT requirements and capabilities that will underpin the global nuclear detection system. This effort will assure the IT system will effectively collect, transmit and support reporting, identification and evaluation of relevant information and raw data from the wide range of detection activities and assets.

Additionally, the JCGC will characterize and document the nuclear/radiological detection systems currently being deployed in CONUS within various Federal, State, and local programs. This effort will culminate in a comprehensive database describing the radiation detection systems already deployed and planned to be deployed.

Support to Field Operations – The Technical Reachback (TRB) element of the Support to Field Operations program will continue to provide timely and accurate interpretation of data collected by field personnel to determine if a radiological or nuclear threat exists. TRB personnel will also assess detection data, perform trend analysis, improve existing sensor algorithms, and characterize radiation detector performance and limitations when used in the operational environment. TRB is a fully-operational, 24/7 capability.

Further, appropriate training and alarm response protocol guidance will be developed, incorporating operational end-user requirements. These services will assure that front-line law enforcement officers are appropriately trained on equipment capabilities, nuclear/radiological basics and safety, and overall awareness of routine and abnormal nuclear signatures that could be encountered in their jurisdictions.

Radiological and Nuclear Forensics and Attribution – This program is being executed in FY 2006 through the DHS S&T Radiological and Nuclear Countermeasures portfolio.

FY 2007 Plan:
Systems Architecture – The DNDO will continue to leverage the Systems Engineering Support Program to implement and institutionalize formal systems engineering principles and processes across all DNDO activities. The program will support the global architecture refinement process described above, with the Systems Engineering Master Plan being revised as necessary to keep pace with the advancing architecture.

In FY 2007, thorough requirements analyses will be performed for the second phase of next generation handheld and backpack detectors; the intended CONOPS will be documented; the results of rigorous threat-based testing will be analyzed and detector system performance specifications will be developed. Additionally, similar analyses will result in a sound understanding of requirements, operational concepts, and specifications for the DNDO's Defense of Cities Program, Pier-side Transfer Station Program, and final design of the JCGC.

In FY 2007 and continuing each year thereafter, the DNDO will perform rigorous engineering trade-off studies, modeling and simulation efforts to identify and assess major capabilities gaps that lack current technical or operational solutions. Modeling will focus on evaluations of alternative deployment strategies and mixes for plastic portals, Advanced Spectroscopic Portals (ASP), and Cargo Advanced Automated Radiography Systems (CAARS) in terms of geographic locations, impact on flow of commerce, detection probability, cost, and placement within Port of Entry footprints. Trade-off studies will focus on evaluating technical and operational constraints that are exemplified in general aviation scenarios, unattended borders and seacoasts, long dwell maritime detection options, and masking/shielding of threat materials in various cargo configurations. As the interagency responds to the implementation of the global architecture, these assessments will help the DNDO to most effectively target and accomplish its efforts in improving the global architecture, filling gaps, and prioritizing systems development, testing and acquisition.

The initial version of the global architecture, completed in FY 2006, will be further developed and refined in FY 2007. Select architecture components of particular importance to risk or cost, or which are subject to significant technical uncertainties or policy debates, will receive additional in-depth analysis, including rigorous peer review and stakeholder engagement.

In addition, feedback processes are in place to incorporate technical developments and lessons learned, and produce revised recommendations. Inputs to this process will come from ongoing RDT&E and system assessments (e.g., red teaming), as well as lessons learned from operational experience and feedback from key stakeholders (e.g. implementers and users of systems and technologies).

Because the architecture is based on risk/cost analysis methodology, and because application of this methodology to radiological and nuclear countermeasures is still relatively new, a concerted effort will be undertaken in FY 2007 to validate the employed methodology on the basis of independent peer review. Risk and economic impact methodology documents suitable for broad peer review (i.e., free of sensitive vulnerability information) will be prepared and subjected to peer review by recognized experts.

The methodology will also be made available to the Department for further risk management applications. This is consistent with DHS policy to make risk management, including decisions on radiological and nuclear matters, an integral part of homeland decision-making processes.

Systems Development – The DNDO will complete the design of several critical variants of ASP, including the SUV-based, one-sided mobile and rail configurations. Each of these variants will have undergone complete preliminary and critical design reviews, as well as production readiness reviews and be ready to enter into production.

The DNDO will derive the architecturally recommended mix of PVT, NaI and HPGe systems based upon venue-specific requirements. The ASP variant hardware configurations may implement sodium iodide, Xenon and/or germanium solutions based upon the venue-specific needs. The ASP spiral development program will provide Block-2 of the critical spectroscopy computer program.

In FY 2007, the three selected vendors will complete preliminary and critical design reviews for CAARS. Each vendor will begin to manufacture and order components, integrate subsystems and develop the prototype system. The automated 'high-z recognition software' will undergo a data driven systems development process to optimize this performance. This will require data collection at the Nevada Test Site as well as in the stream of commerce, and an associated algorithmic build-test-build process. In cooperation with CBP, the DNDO will derive a detailed deployment plan and begin site preparation and begin associated negotiations for pilot testing to be conducted in FY2008. The DNDO, in cooperation with CBP and other operating agencies, will also update the radiography CONOPS and standard operating procedures to ensure that the deployment of CAARS will be effective and not be disruptive to port operations.

The DNDO will award up to two contracts for the design, development and prototype manufacture of advanced Deployment Structures, including crane mounts and pier side transfer stations. Four of these units will be purchased for pilot deployment.

The DNDO will execute multiple contracts for the development and production of next generation handheld and man-portable systems, conduct preliminary and critical design reviews, conduct engineering development and test and enter production. Crystal manufacturing R&D will be conducted for the large lanthanum halide crystals as required for next generation handhelds. Additional R&D associated with HPGe crystals and coolers will be conducted as required.

Transformational Research and Development – In FY 2007, the Transformational Research and Development program will leverage the successes achieved in FY 2006.

Exploratory Research – Successful efforts in exploratory research will continue into FY 2007. As solutions and concepts mature, technologies will transition either into enabling component in existing ATDs or become new ATD initiatives. Successful research originating from the ARI may also transition to exploratory research or an ATD initiative.

Advanced Technology Demonstrations – In FY 2007, the DNDO will continue the ATDs begun in FY 2006, as well as initiating additional ATDs in long-dwell detection, and active SNM verification.

Long-dwell, in-transit detection prototype development will be initiated in FY 2007 after a thorough study of the radiation environment in large cargo-container ships in FY 2006 conducted under the exploratory research program. It is extremely important that this radiation environment be well characterized in order to evaluate the probability of false alarms during ocean transit – the goal is to achieve less than one false alarm per year cumulatively for all ship transits. Viable detection concepts and CONOPs will be evaluated and selected to meet this criterion, as well as keeping the cost low per

container. This ATD will leverage advances in small, efficient, directional detectors developed under the exploratory research program in innovative detection materials and concepts.

Advanced, low-dose SNM verification prototype development will start in FY 2007, leveraging the exploratory research and experiments undertaken in FY 2006. Prototype development may include hand-portable, mobile, or fixed-gantry solutions utilizing low and high-energy neutron sources, low-dose, monochromatic gamma-ray sources, and low-dose, hardened x-ray sources.

The ATD is the final stage of the DNDO transformational research and development program. A successful ATD will transition to a systems development or acquisition program if a cost-benefit advantage is found in the defense architecture. Each ATD effort is expected to last for a pre-defined period of time, usually from 2 to 5 years, depending on the maturity of the technology.

Academic Research – In FY 2007, the Academic Research budget will increase substantially to cover the academic research grants and personnel exchange programs for students and scientists to work across sectors of the R&D community.

The Academic Research program is expected to grow rapidly, nearly doubling every year until FY 2010. The academic community as a whole is expected to respond to this reliable, growing investment in nuclear related R&D by attracting more researchers and faculty from related disciplines in nuclear, particle, solid state, materials, accelerators, chemistry, plasma, astrophysics, etc, which in turn attracts more students and post-doctoral researchers. These new scientists in nuclear detection and related fields are desperately needed to generate creative, novel solutions and to replace our Nation's aging scientists in the National Laboratories and private industry.

Test and Evaluation Planning and Operations – Developmental test and evaluation will be completed for prototype next generation imaging systems using threat-representative sources. These tests will provide the vendors will the opportunity to refine hardware and image identification software. Planning and site preparation will be underway for CBP demonstrations of these initial prototypes.

Pilots of new implementations of ASP technology, such as "close-to-the-pier", "on-the-crane", and mobile platforms, will be underway at operational ports and other venues to develop appropriate concepts of operations.

The Rad/NucCTEC will be fully operational in FY 2007. During this first year of operation, a variety of active interrogation technologies will be tested against threat-representative sources, as well as on-going evaluation of improved radiological and nuclear detection equipment. In cooperation with the NNSA Device Assembly Facility (DAF), DNDO will construct improved test objects based on inputs from the jointly funded (DHS/NNSA) National Labs Threat Matrix study.

Red Teaming and System Assessments – In FY 2007, the Adversarial Cell will continue to refine the Adversarial Playbook by drawing on resources and expertise across the Federal government. Completion of the open source review will determine any additional information available to prospective adversaries as new technologies and systems are implemented by DHS and other agencies. This will also serve as a metric to evaluate improvements in the control of sensitive information that may have been recommended from previous assessment results. Planning and execution of interagency protocol testing procedures, CPXs and Table Top Exercises will be conducted in parallel with active operational exercises.

The DNDO will conduct multiple active (Red Team) exercises across the entire domestic architecture, resulting in the capturing, archiving, and sharing of lessons learned with all Federal, State and local government agencies. In addition, the DNDO will continue to develop methodologies and agreements with international allies in order to improve and expand the ability to conduct Red Team operations against the outer rings of the global nuclear detection architecture.

The Exercise OPFOR Cell will continue to develop and refine the OPFOR Playbook, exercise scenarios and Table Top exercises as well as participate in US-based operational assessments.

The Net Assessment Cell will continue with on-going data mining and trend analysis across the detection and response architecture. Additionally, modeling and simulation tools will be developed as an aid in analyzing architectures and CONOPS in a virtual environment reflecting adversary behavior.

Information and Analysis – The JCGC will make significant investment in accelerating and expanding on-going, comprehensive, all-source searches for, and review of, information related to: nuclear/radiological detections and threats; nation states and terrorist groups that could be associated with radiological/nuclear terrorism; and world-wide illicit nuclear trafficking and intelligence warnings. Emphasis will be placed on documenting the results of these activities into a structured situational awareness matrix – the framework for organizing and prioritizing study activities to be conducted by JCGC analysts to address and fill key "information gaps".

The JCGC will continue to define and assess the IT requirements and capabilities that will underpin the global nuclear detection system. This effort will assure the IT system will effectively collect, transmit and support reporting, identification and evaluation of relevant information and raw data from the wide range of detection activities and assets. This will include participation in regional pilots to determine the overall system requirements and provide operational lessons learned.

Additionally, current efforts will be accelerated and expanded to develop methods and information data-mining tools that will be used to retrieve and process large volumes of information, which will be evaluated and assessed by the JCGC analytic staff. This information will also be indexed and stored in a variety of JCGC databases for later use by the DNDO and appropriate Federal, State, and local stakeholders.

Support to Field Operations – TRB will implement a scalable technical reachback capability to support additional radiation detection deployments to State and local entities and to new Federal customers. These scalable resources will reflect further development of the cadre of alarm experts who are familiar with all deployed equipment and the radiation signatures associated with both innocent and threat material. Technical personnel who support the TRB capability will continue to be required to develop expertise through knowledge of equipment capabilities and limitations, intelligence situational awareness, and specific knowledge of end-user concepts of operations. The TRB network will include regional support groups that are capable of rapidly resolving or initiating resolution to calls made by the frontline law enforcement community. These regional support groups will be trained to respond to requests for assistance at a level that is understandable for the caller.

Through a centralized operational support Joint Requirements Board, an interface will continue to develop with the user community to facilitate the exchange of end-user requirements and lessons learned gleaned from operational pilots and deployments to refine training and alarm response protocols. These

efforts will enhance the awareness of the adequacy of the Nation's screening process and provide insights that lead to more effective systems and operational procedures.

Radiological and Nuclear Forensics and Attribution – Beginning in FY 2007, the DNDO will assume responsibility for Radiological and Nuclear Forensics and Attribution, a program previously managed by the DHS S&T Radiological and Nuclear Countermeasure portfolio. Specifically, in FY 2007, the DNDO will:

- Refine the Radiological and Nuclear Forensics and Attribution Program to enable DHS to fuse information on the potential capabilities of terrorist organizations to develop and deploy threat agents with laboratory-based forensics techniques that determine the specific source of any nuclear and radiological materials or devices ultimately employed by those groups.
- Develop new forensics techniques for rapid analysis of nuclear and radiological materials; establish a laboratory and telecommunications infrastructure with the FBI, Department of Energy, and Department of Defense to support the collection and analysis.

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Program Performance Justification
(Dollars in thousands)

PPA: SYSTEMS ACQUISITION

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	...	...	...
2007 Adjustments-to-Base	...	...	$125,000
2007 Current Services	...	...	**$125,000**
2007 Program Change	...	...	$53,000
2007 Request	...	...	**$178,000**
Total Change 2006-2007	...	...	$178,000

The Domestic Nuclear Detection Office requests $178,000,000 for this activity. This is an increase of $178,000,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Mission Description and Justification:
Beginning in FY 2006, the DNDO assumed management responsibility for all DHS procurement and deployments of the domestic nuclear detection architecture. In FY 2006, this included only acquisition of systems to the Nation's POEs. However, beginning in FY 2007, this responsibility will expand to include the acquisition of a Federally-owned "surge" detection capacity.

The DNDO acquisition program is directly tied to robust Systems Development and Systems Engineering programs. The methodology employed in this program ensures that all acquired systems have been fully evaluated prior to any acquisition decisions, such that all systems deployed are operated in a known and efficient manner. Additionally, all deployed technologies will be accompanied by the appropriate training, exercise, and response protocols. This will ensure that all systems are operated properly, and all alarms are immediately reported to the appropriate agencies and personnel.

FY 2006 Plan:
A critical component of the DHS nuclear countermeasures architecture is a passive radiation detection portal suitable for examining cargo containers, trucks, privately-owned vehicles, mail, and bundled cargo. The primary technical challenge associated with the development of such a device is the accurate and rapid detection of threat objects, including improvised nuclear devices (INDs), special nuclear materials (SNM), and radiological dispersal devices (RDDs), with efficient discrimination of innocent radiating materials from dangerous SNM. ASP improves our ability to address the threat of RDDs, INDs, or a nuclear weapon being used by terrorists within the U.S. DNDO is implementing a comprehensive systems approach that emphasizes early detection and effective intervention capabilities at the Federal, State, and local levels, as well as post-event capabilities for remediation.

Unlike gross-counting portals, such as the first generation RPMs currently deployed by CBP, the ASP portals will use the "radiation signature" of inspected material to make a detection and discrimination decision. The ASP spectroscopic identification capability to differentiate between threat and innocent materials reduces the number of false alerts and, as such, reduces the need to "threshold down" the portal in order to balance the workload in secondary inspection. It is the intent of DNDO to deploy ASP systems in CBP primary and secondary inspection, as appropriate. ASP next-generation portals are a key component of the DNDO national nuclear detection and interdiction architecture.

The DNDO intends to award contracts for medium resolution ASP portals (based on NaI-based crystal technology) and contracts for high resolution systems (based upon high-purity germanium (HPGe) or high pressure xenon (HPXe) sensor technology).

Each of these systems provides different capability at a different price point, necessitating development of both to fulfill the requirements of the architecture. FY 2006 plans include the acquisition and deployment of 163 current generation systems for low volume ports of entry, 106 next generation ASP systems, twenty-five (25) SUV-based variants and ten (10) truck-mounted relocatable. Finally, the DNDO will acquire four (4) of the HPGe or HPXe-based systems to determine the true operational challenges involved with their installation (i.e. the need for cryogenic cooling and extremely high power requirements), as well as to investigate measures to address some these challenges.

	NUMBER TO BE ACQUIRED	SCHEMATIC REPRESENTATION
CURRENT-GENERATION PVT-BASED PORTAL MONITORS	163	
ASP FIXED PORTALS	106	
HIGH-RESOLUTION PORTAL SYSTEMS	4	
SUV-BASED ASP SYSTEMS	25	
TRUCK-MOUNTED RELOCATABLE ASP SYSTEMS	10	

The DNDO is also in discussions with NA-25 to investigate the pilot deployments of ASP systems at foreign ports through the Megaports program.

The primary component of the medium resolution ASP systems described above is the sodium iodide (NaI) detector crystal, which also accounts for a majority of the cost of an ASP system. Existing worldwide NaI production capacity will not support the full-scale production rates that the DNDO will require to complete deployments as planned. As such, the DNDO will conduct a competition in which multiple vendors will be selected to fulfill this requirement. DNDO recognizes that substantial investment will be required to capitalize industry to provide this capability. As such, DNDO intends to invest approximately $25M in FY 2006 to FY2010 to improve crystal production capacity, and will

require a considerable matching investment on the part of the selected vendor(s). The DNDO may recoup the Government investment through cost reductions in future years resulting from a competitive environment in NaI production.

FY 2007 Plan:
The DNDO will conduct pilot deployment of the first 24 ASP Units at sites agreed to by CBP, testing their efficacy and operability. The DNDO also intends to pilot several units internationally in cooperation with the Departments of State and Energy. The DNDO will complete the environmental qualification testing and the subsequent engineering changes as required – ensuring the pilot and production ASP units can withstand the shock, vibration, temperature gradient and other environmental stresses. The DNDO, in cooperation with CBP, will install and commission the fixed and mobile ASPs ordered in FY 2006 (including the 24 pilot units) and will place orders for approximately 150 additional cargo portals, 42 SUV based systems, 30 one-sided relocatable systems, and 4 rail systems. The installation of the FY 2006 units at high volume POEs and the relocation of the RPM units previously installed at those sites to lower volume ports will constitute a quantum improvement in our Homeland Security.

	NUMBER TO BE ACQUIRED	SCHEMATIC REPRESENTATION
CURRENT-GENERATION PVT-BASED PORTAL MONITORS	0	
ASP FIXED PORTALS	150	
HIGH-RESOLUTION PORTAL SYSTEMS	4	
SUV-BASED ASP SYSTEMS	42	
TRUCK-MOUNTED RELOCATABLE ASP SYSTEMS	30	

In FY 2007, the DNDO will award contracts for increased production capacity of sodium iodide crystals, and ensure that adequate manufacturing capacity of the required high quality crystals is available. New manufacturer(s) will complete manufacturing process planning, produce first article crystals from the newly installed furnaces and crucibles, undergo qualification testing, and enter production. The DNDO will complete the financial investment in these facilities by ordering the second set of crystals as production-facility burdened prices. The DNDO will place on order all the ASP crystals required for FY 2007 production requirements to be provided as Government Furnished Equipment. Additionally, the DNDO will order 127 handheld and man-portable systems under the competitively awarded handhelds R&D and procurement contracts, for use by Customs and Border Patrol agents at and between the Nation's ports of entry.

In FY 2007, the DNDO will begin the procurement of a national nuclear detection "surge" capability, a suite of mobile and relocatable detection systems, deployable to varying locations based upon

heightened threat levels. This Federal capacity fills the gap in capabilities between State and local deployments of radiation detection equipment in routine safety and security operations and the Department of Energy's Nuclear Emergency Search Teams, responsible for locating nuclear devices based upon specific intelligence cuing. This request will provide initial funding for the procurement of these mobile detection assets, to be deployed to provide increased security in specific areas in periods of heightened alert. The DNDO will procure a number of mobile (man-portable) and relocatable (vehicle-mounted) detection assets, as well as the accompanying communications and information infrastructure. These systems will be Federally owned, and operated in conjunction with State and local agencies.

IV. Program Justification of Changes

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Management and Administration

Strategic Goal(s) & Objective(s): 2.3
PPA: Management and Administration

Program Increase: Positions 92 FTE 92 Dollars $25,914

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							20	20	$4,554
Program Increase							92	92	$25,914
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**112**	**112**	**$30,468**

Description of Item
The requested funding will allow for the full staffing of the DNDO, as agreed to by all interagency members. Included in this is the agreement that the DNDO will assume budgetary responsibility for 66 detailed FTE.

Justification
As a new office formed in FY 2005, the DNDO has, until now, relied on funding from other DHS components, as well as interagency partners, to staff the office. As agreed to across the interagency, the DNDO is to accept budget responsibility for all detailed staff (66 FTE) beginning in FY 2007. Additionally, the DNDO will now be expected to fully contribute to all DHS shared services through the Department's Working Capital Fund ($9,840,000 FY 2007 contribution estimated), and become administratively self-sufficient.

Impact on Performance (Relationship of Increase to Strategic Goals)
The $25,914,000 Salaries and Expenses increase will directly improve the DNDO ability to meet Strategic Objective 2.3, "Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism, and other illegal activities." Particularly, the increase will fund the required salaries and expenses to fully staff the office.

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Justification of Program Changes
(Dollars in Thousands)

Program Increase 2: Nuclear Detection Research and Integration

Strategic Goal(s) & Objective(s): 2.3
PPA: Research, Development, and Operations

Program Increase: Positions 0 FTE 0 Dollars $118,234

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	$209,086
Program Increase							0	0	$118,234
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$327,320**

Description of Item
The requested increase will fund new initiatives across multiple program areas within the DNDO Research, Development, and Operations program. These initiatives address gaps in the existing architecture, as identified through the DNDO-led interagency global nuclear detection architecture analysis.

Justification
The Nuclear Detection Research and Integration program increase funds initiatives across multiple DNDO Research, Development, and Operations program areas. The largest increases will impact the Systems Development, Transformational Research and Development, and Information and Analysis program areas.

The Systems Development program increase will allow for multiple integration programs to develop deployable "systems of systems" for specific operational circumstances. Examples include POE integration, defense of cities, maritime integration, and general aviation protection. Each program will determine the necessary suites of detectors, as well as the interfaces amongst the components, to provide the greatest degrees of prevention in each venue. The Securing the Cities program, for example, would examine the technical requirements needed to deploy a large number of mobile (likely man-portable) systems, as well as the communications and data infrastructures to integrate them, needed to provide a random screening capability in a major metropolitan area. The increase will also provide significant funding to the development of a "crane-mounted" or "close-to-pier" detection system that would significantly reduced the operational burdens, particularly to the flow of commerce at seaports, imposed by current detection systems.

The Systems Development program increase will also provide full year funding of the Cargo Advanced Automated Radiography System (CAARS) program, begun in mid-FY 2006. The CAARS program aims to automate radiographic image processing, as well as provide considerable improvements in the rate of radiographic inspection, striving to achieve 50% coverage within the next 5 years. These higher resolution imaging techniques developed through the CAARS program will provide the necessary data required to provide more accurate density estimation and automated image alert processing, removing the need for human operators to analyze each resulting image. This improvement would result in automated detection or dismissal within seconds, rather than the current five-minute human inspection rate, and improve throughput rates from approximately 12 containers per hour to approximately 120 containers per hour. The maximum passive sensitivity achieved by ASP, when coupled with the automated radiography achieved by CAARS provides a comprehensive solution for our manned ports of entry (POE).

The program increase to the DNDO Transformational Research and Development program area, initiated in FY 2006, will focus on advanced detection concepts likely to deliver the highest payoff improvements in detection capabilities needed to address critical capability gaps in the Nation's detection architecture, such as the direct detection of shielded SNM, as well as far greater stand-off detection capabilities to detect significant quantities of SNM at greater distances, and systems capable of detecting materials in transit to the Nation's ports, rather than once they have reached our borders. The improvements expected from the transformational research and development programs are not intended to incrementally improve deployed capabilities; rather, there improvements will fundamentally change the operational bounds of deployed systems. However, these operational concepts will require substantial increases in technical capability, only achievable by the significant and sustained funding originally requested. The requested funding will allow for the continuation of research programs begun in FY 2006, as well as the exploration of additional topics areas not funded within the initial-year programs, but still directly applicable to the DNDO mission.

The Information and Analysis program increase will provide funding to begin the acquisition and implementation of the DNDO Joint Center for Global Connectivity (JCGC). The JCGC will provide nuclear detection situational awareness and 24x7 technical reachback support to integrate nuclear detection information streams to be able to share databases related to radiation detection equipment, development, alarm history, and trend analysis, conduct data trend analysis of deployed nuclear detection to maintain required capabilities, and identify future acquisition requirements and modifications, and produce operational and actionable intelligence reports for all national support levels and integrate into globally shared data reports.

The JCGC provides a means for efficiently gathering raw data from multiple sources (portal monitoring equipment, mobile radiation detection equipment, intelligence sources, etc), analyzing and disseminating it to key decision-makers and those agencies charged with the response mission. The JCGC fills a major gap in DHS' ability to accomplish a primary aspect of its mission: protecting America from terrorist threats. The JCGC Initiative functions to collect data from regional fusion centers, which consists of data from portal monitoring equipment, including advanced spectroscopic radiation data and analysis, reliability data (where available), normal commerce flow data, state and local law enforcement information and other historic information. This fusion center information will be joined with previously completed modeling and simulation information, current intelligence from various agencies and other data which will enable the Joint staff to understand the scope of the situation and to quickly establish risks and options from a scientific perspective for advising the

President and response organizations. The JCGC will provide the best, most efficient method of creating real-time situational awareness for leaders and decision-makers.

Impact on Performance (Relationship of Increase to Strategic Goals)
The $118,234,000 Nuclear Research and Integration increase will directly improve the DNDO ability to meet Strategic Objective 2.3, "Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism, and other illegal activities." Particularly, the increase will fund initiatives within the Systems Development, Transformational Research and Development, and Information and Analysis program areas.

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Justification of Program Changes
(Dollars in Thousands)

Program Increase 3: Fixed and Mobile Detection Systems Acquisition

Strategic Goal(s) & Objective(s): 2.3
PPA: Systems Acquisition

Program Increase: Positions 0 FTE 0 Dollars $53,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	$125,000
Program Increase							0	0	$53,000
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$178,000**

Description of Item
This request will provide funding for the procurement of fixed radiation portal monitors (RPMs) at the Nation's ports of entry (POEs), as well as mobile and relocatable "surge" detection systems, deployable to varying locations based upon heightened threat levels. These systems will be Federally owned, and operated in conjunction with State and local agencies.

Justification
Beginning in FY 2006, the DNDO was given budget authority for the acquisition of RPMs, previously executed by Customs and Border Protection (CBP). Through FY 2006, the DNDO has worked with CBP to refine the original RPM deployment strategy to incorporate technical improvements made through the DNDO Advanced Spectroscopic Portal (ASP) program. Unlike gross-counting portals, such as the first generation RPMs currently deployed by CBP, the ASP portals will use the "radiation signature" of inspected material to make a detection and discrimination decision. The ASP spectroscopic identification capability to differentiate between threat and innocent materials reduces the number of false alerts and, as such, reduces the need to "threshold down" the portal in order to balance the workload in secondary inspection. It is the intent of DNDO to deploy ASP systems in CBP primary and secondary inspection, as appropriate. Approximately $32,000,000 of this increase will fund the transition of the RPM acquisition program to include ASP system procurements.

While deployments to RPMs to POEs are vital and provide substantial opportunities for inspecting a large portion of incoming people and goods, the DNDO has long recognized the need for a multi-layered detection approach, providing for multiple detection and interdiction opportunities. This request will also provide initial funding for the procurement of mobile detection assets that can be deployed to urban areas in periods of heightened alert.

Unlike the Department of Energy's Nuclear Emergency Search Teams, the assets to be provided with this request will not be deployed based on specific threat intelligence—DOE will retain this unique responsibility. However, these specialized DOE assets are not sustainable for longer periods of heightened alert, such as that experienced by the U.S. mass transit sector following the London subway bombings of July 2005. In response to these sustained requirements, the DNDO will procure a number of mobile (man-portable) and relocatable (vehicle-mounted) detection assets, as well as the accompanying communications and information infrastructure. Approximately $21,000,000 of this increase will fund the initial procurement of this mobile detection capability.

Impact on Performance (Relationship of Increase to Strategic Goals)
The $53,000,000 Fixed and Mobile Detection Systems Acquisition increase will directly improve the DNDO ability to meet Strategic Objective 2.3, "Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism, and other illegal activities." Particularly, the increase will fund the procurement of fixed, mobile, and relocatable detection systems, deployable to varying locations permanently, or based upon heightened threat levels.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Domestic Nuclear Detection Office
Justification of Proposed Changes in Research, Development, Acquisition, and Operations
Appropriation Language

For necessary expenses of the Domestic Nuclear Detection Office, including nuclear detection research, development, testing and evaluation, acquisition, operations, managements and administration, $535,788,000, to remain available until expended, of which not to exceed $178,000,000 is for the purchase and deployment of radiation detection equipment in accordance with the global nuclear detection architecture; and of which not to exceed $100,000,000 is for radiological and nuclear transformational research and development.

Explanation of Changes:

No substantive changes proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	---
2006 Revised Enacted	---	---	---
Adjustments-to-Base			
Transfers to and from other accounts:			
DHS S&T Management and Administration	14	14	2,558
DHS S&T Domestic Nuclear Detection Office	---	---	314,834
DHS S&T Radiological and Nuclear Countermeasures	6	6	14,500
Total Transfers	20	20	331,892
Increases			
Annualization of prior year funding	---	---	74
GSA Rent	---	---	1,122
Non-pay inflation excluding GSA Rent	---	---	5,552
Total Increases	---	---	6,748
Total Adjustments-to-Base	**20**	**20**	**338,640**
2007 Current Services	**20**	**20**	**338,640**
Program Changes			
Program Increases/(Decreases)			
Management and Administration	92	92	25,914
Nuclear Detection Research and Integration	---	---	118,234
Fixed and Mobile Detection System Acquisition	---	---	53,000
Total Program Changes	**92**	**92**	**197,148**
2007 Request	**112**	**112**	**535,788**
2006 to 2007 Total Change	**112**	**112**	**535,788**

C. Summary of Requirements

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	---
2006 Revised Enacted	[14]	[14]	[$317,392]
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	20	20	331,892
Increases	---	---	6,748
Decreases	---	---	---
Total Adjustments-to-Base	20	20	338,640
2007 Current Services	20	20	338,640
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	92	92	197,148
2007 Total Request	112	112	535,788
2006 to 2007 Total Change	112	112	535,788

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Management and Administration	---	---	$0	20	20	$4,554	92	92	$ 25,914	112	112	$30,468	112	112	$30,468
2 Research, Development, and Operations	---	---	---	---	---	209,086	---	---	118,234	---	---	$327,320	---	---	327,320
4 Systems Acquisition	---	---	---	---	---	125,000	---	---	53,000	---	---	$178,000	---	---	178,000
Total	[14]	[14]	[$317,392]	20	20	$338,640	92	92	$197,148	112	112	$535,788	112	112	$535,788

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

D. Summary of Reimbursable Resources

Not applicable.

E. Summary of Requirements by Object Class

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	---	---	$13,439	$13,439
12.1 Benefits	---	---	3,763	3,763
Total, Personnel Comp. & Benefits	---	---	**$17,202**	**$17,202**
Other Object Classes:				
21.0 Travel	---	---	210	210
23.1 GSA rent	---	---	3,000	3,000
25.1 Advisory and assistance services	---	---	19,900	19,900
25.2 Other services	---	---	5,590	5,590
25.3 Purchases of goods & svcs. from Gov't accounts	---	---	50,340	50,340
25.4 Operation & maintenance of facilities	---	---	7,000	7,000
25.5 Research and development contracts	---	---	300,420	300,420
25.7 Operation and maintenance of equipment	---	---	4,258	4,258
26.0 Supplies and materials	---	---	208	208
31.0 Equipment	---	---	127,660	127,660
Total, Other Object Classes	---	---	**$518,586**	**$518,586**
Total, Direct Obligations	**$0**	**[$317,392]**	**$535,788**	**$535,788**
Unobligated balance, start of year	---	---	---	---
Unobligated balance, end of year	---	---	---	---
Total requirements	**$0**	**[$317,392]**	**$535,788**	**$535,788**

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

F. Permanent Positions by Grade

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	7	7
Total, EX	---	---	---	---
GS-15	---	---	37	37
GS-14	---	---	22	22
GS-13	---	---	15	15
GS-12	---	---	3	3
Other Graded Positions	---	---	21	21
Ungraded Positions	---	---	7	7
Total Permanent Positions	---	[14]	**46**	**46**
Reimbursible Positions			**66**	**66**
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	---	---	---	---
FTE	---	---	**112**	**112**
Headquarters	---	[14]	112	112
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	---	[14]	**112**	**112**
Average ES Salary	$ ---	$ ---	$ 143,947	$ 143,947
Average GS Salary	$ ---	$ ---	$ 108,791	$ 108,791
Average GS Grade	---	[14.86]	14.21	14.21

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007. "Reimbursible positions" are FTE detailed to the DNDO from partner agencies (DoD, DOE, FBI, State, NRC, DHS CBP, DHS TSA, DHS G&T, USCG).

G. Capital Investment and Construction Initiative Listing

DOMESTIC NUCLEAR DETECTION OFFICE
RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

INITIATIVE NAME	FY 2007 FUNDING REQUEST ($000)			FUNDING FROM:	
	Current Services Level	New Initiative	Total	Budget Activity	Program/s Name
Advanced Spectroscopic Portal (ASP) Program	--	$174,100	$174,100	Systems Development and Acquisition	Research, Development, and Operations; Systems Acquisition
Cargo Advanced Automated Radiography System (CAARS) Program	--	$30,250	$30,250	Systems Development and Acquisition	Research, Development, and Operations; Systems Acquisition
Total Non-IT investments $5 million or more	--	$204,350	$204,350		
Total Non-IT initiatives under $5 million	--	--	--		
Total Non-IT Investments	--	$204,350	$204,350		
Total of IT Investments	--	--	--		
Total all IT and Non-IT Investments	--	$204,350	$204,350		

ADVANCED SPECTROSCOPIC PORTAL PROGRAM

1. Project Description, Justification and Scope

The Department of Homeland Security (DHS) intends to develop and acquire a family of advanced spectroscopic medium resolution portals (based upon sodium iodide [NaI] gamma detection technology) and a family of high resolution portals (based upon gamma detection materials that have a full-width-half-maximum resolution finer than sodium iodide, to include such materials as high-pressure xenon and high-purity germanium). This technology insertion will improve the radiation detection performance of first generation Radiation Portal Monitor (RPM) systems currently being deployed at all Customs and Border Protection (CBP) ports-of-entry. DHS will continue to develop, deploy, and enhance national nuclear and radiological capabilities in an effort to better detect, report on, disrupt, and prevent attempts to import, possess, store, transport, develop, or use such devices and materials.

Covert nuclear attack is the foremost threat facing the United States and is a primary focus of the war on terror. DNDO is chartered to develop, acquire, and support the deployment and improvement of a domestic system to detect attempts to import, assemble, or transport a nuclear explosive device, fissile material, or radiological material intended for illicit use. The Advanced Spectroscopic Program (ASP) is a high-priority program in DHS and a key component of the DHS nuclear detection and interdiction architecture. ASP provides significant improvement in probability of detection of special nuclear materials (SNM). ASP has superior capability to detect U.S.- and Russian-produced shielded highly enriched uranium (HEU). ASP provides reductions in false alarm rates with automated discrimination of normally occurring radioactive materials (medical, industrial). ASP also provides a reduction in false dismissal rate (in which threat material is not identified, but is present).

A critical component of the DHS nuclear countermeasures architecture is a passive radiation detection portal suitable for examining cargo containers, trucks, privately-owned vehicles, mail, and bundled cargo. The primary technical challenge associated with the development of such a device is the accurate and rapid detection of threat objects, including improvised nuclear devices (INDs), special nuclear materials (SNM), and radiological dispersal devices (RDDs), with efficient discrimination of innocent radiating materials from dangerous SNM. ASP improves our ability to address the threat of RDDs, INDs, or a nuclear weapon being used by terrorists within the U.S. DNDO is implementing a comprehensive systems approach that emphasizes early detection and effective intervention capabilities at the Federal, State, and local levels, as well as post-event capabilities for remediation.

Unlike gross-counting portals, such as the first generation RPMs currently deployed by CBP, the ASP portals will use the "radiation signature" of inspected material to make a detection and discrimination decision. The ASP spectroscopic identification capability to differentiate between threat and innocent materials reduces the number of false alerts and, as such, reduces the need to "threshold down" the portal in order to balance the workload in secondary inspection. It is the intent of DNDO to deploy ASP systems in CBP primary and secondary inspection, as appropriate. ASP next-generation portals are a key component of the DNDO national nuclear detection and interdiction architecture.

An ASP system is typically composed of: (1) radiation sensor panels (containing sensor material and computer preprocessors), (2) deployment support structures, (3) ancillary equipment (including occupancy sensors, a Visual Identification System [VIS], and signal and data processors), (4) remote station (containing a supervisor workstation and an annunciator), and (5) optional echo computer to be used by a secondary operator. DNDO intends to compete and procure ASP systems as integrated products in complete configurations tailored to each prospective site. In the course of ASP spiral development, subsystem comparisons and evaluation will provide for best performance and reduced costs.

2. Significant Changes

No information was submitted for this Capital Investment as part of the FY 2006 Congressional Justification.

3. Project Schedule

	Fiscal Quarter and Year				Total Estimated Cost ($000)	Total Project Cost ($000)
	Work Initiated	Work Completed	Project Start	Project Complete		
Concept Exploration	4Q FY 2004	1Q FY 2006			$35,000	
Engineering Development	2Q FY 2006	4Q FY 2011			$148,100	
Production	2Q FY 2006	4Q FY 2011			$985,270	

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation				$174,100	$174,100
Obligation (actual and planned)				$174,100	$174,100
Expenditure (actual and planned)				$174,100	$174,100
Break down of project related expenditures:					
ASP Non-recurring engineering				$29,100	$29,100
ASP Fixed Portal Acquisition				$38,540	$38,540
ASP Fixed Portal Installation				$45,210	$45,210
ASP Mobile Portal Acquisition				$8,730	$8,730
Long lead crystal acquisition				$48,540	$48,540
Handheld/Backpack Acquisition				$3,980	$3,980
Total Project Expenditures				$174,100	$174,100

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

	Current Estimate	Previous Estimate
Detailed breakdown of project phases:		
ASP Non-recurring engineering	$29,100	
ASP Fixed Portal Acquisition	$38,540	
ASP Fixed Portal Installation	$45,210	
ASP Mobile Portal Acquisition	$8,730	
Long lead crystal acquisition	$48,540	
Handheld/Backpack Acquisition	$3,980	
Project Total	$174,100	

6. Method of Performance

Earned Value Management System (EVMS) techniques will be used by the program office and by the system vendors.

Specific project performance measures from the Exhibit 300 are listed below.

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2006	Awareness	No capability	Improve capability for RPM to discriminate between innocent and other nuclear materials in cargo containers in the flow of commerce	Capability developed	Identify normally occurring radioactive material (NORM) and industrial material	NORM and industrial material identified in testing at NTS
2007	Awareness	Very limited capability	Improve capability of Human Portable Radiation Detection Systems to identify nuclear materials in cargo containers	To be reported at the end of the fiscal year	Identify radioactive material	To be reported at the end of each fiscal year

2007	Prevention	Varies by border crossing lane	Improve the rate of detection of nuclear materials (innocent alert or referral to secondary) in the flow of commerce at RPM/ASP locations	To be reported at the end of the fiscal year	Increase the average number of detections at each traffic lane by 100%	To be reported at the end of each fiscal year
2007	Prevention	Number of vehicles referred to secondary inspection in 2005	Improve the detection opportunity at Otay Mesa Cargo Lane #4, World Trade Bridge Lane #4, Blue Ware Bridge Lane #4, Peace Bridge Lane #2	To be reported at the end of the fiscal year	Double the detections with 50% resolved prior to referral to secondary	To be reported at the end of each fiscal year
2007	Prevention	Sensitivity set too high to detect threat material	Improve the screening effectiveness at RPM/ASP locations without disrupting the flow of commerce	To be reported at the end of the fiscal year	Reduce the sensitivity settings	To be reported at the end of each fiscal year
2007	Prevention	All alerts referred to secondary	Improve performance by reducing the false positive detection rate due to NORM and industrial nuclear material at RPM/ASP locations	To be reported at the end of the fiscal year	Resolve 50% of alerts without referral to secondary	To be reported at the end of each fiscal year
2007	Prevention	2006 production capacity	Improve the production capacity of sodium iodide material needed for medium resolution RPM/ASP	To be reported at the end of the fiscal year	Increase capacity by 50%	To be reported at the end of each fiscal year

2008	Awareness	Limited capability	Improve the capability to identify nuclear materials in the flow of commerce	To be reported at the end of the fiscal year	Correctly identify smaller source materials in mixed cargo	To be reported at the end of each fiscal year
2008	Awareness	Limited capability	Improve the capability to resolve alerts at RPM/ASP locations without devanning	To be reported at the end of the fiscal year	Resolve 50% of referrals to secondary inspection	To be reported at the end of each fiscal year
2008	Prevention	2007 Produc-tion Capacity	Improve the production capacity of sodium iodide material needed for medium resolution RPM/ASP	To be reported at the end of the fiscal year	Increase capacity by 100%	To be reported at the end of each fiscal year
2009	Prevention	2006 rates	Improve the capability to identify nuclear threat materials in the flow of commerce	To be reported at the end of the fiscal year	Screen 20% of inbound cargo containers with effective sensitivity settings	To be reported at the end of each fiscal year
2010	Prevention	2006 rates	Improve the capability to identify nuclear threat materials in the flow of commerce	To be reported at the end of the fiscal year	Screen 40% of inbound cargo containers with effective sensitivity settings	To be reported at the end of each fiscal year
2011	Prevention	2006 rates	Improve the capability to identify nuclear threat materials in the flow of commerce	To be reported at the end of the fiscal year	Screen 90% of inbound cargo containers with effective sensitivity settings	To be reported at the end of each fiscal year

7. Related Annual Funding Requirements
(Dollars in Thousands)

	FY 2007	
	Current	Previous

	Estimate	Estimate
Annual Equipment Maintenance and Operations Costs (requested through Customs and Border Protection)	~10%	

8. Budget Allocation to Programs

Program	Allocated Budget ($000)	
	FY 2006	FY 2007
Research, Development, and Operations	--	$29,100
Systems Acquisition	--	$145,000
Total	$0	$174,100

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

The Advanced Spectroscopic Portal (ASP) Program is compliant with all applicable laws, regulations, standard, and executive orders.

CARGO ADVANCED AUTOMATED RADIOGRAPHY SYSTEMS PROGRAM

1. Project Description, Justification and Scope

While spectroscopic portals will provide a next generation capability to passively detect unshielded or lightly shielded nuclear materials, no passive system can detect nuclear materials that are completely shielded. Current radiography systems also lack the ability to detect shielded special nuclear materials. These radiography devices, similar to one dimensional x-ray devices used in a doctor's office, do not provide the capability to distinguish between innocent materials such as steel, and aluminum; shielding materials such as lead; and threat materials such as uranium or plutonium. In addition, current radiography devices rely heavily upon operator actions to interpret the image. Each image might take several minutes to analyze. Such a labor intensive process negates the practicality of very high throughput radiographic inspection. The Cargo Advanced Automated Radiography System (CAARS) will reduce the vulnerability of the United States by addressing these shortfalls. It will scan cargo containers or other conveyances of interest and provide an automated estimation of threat. The implemented technology will distinguish between low density non-threat materials such as aluminum and steel, and higher density materials such as lead, uranium or plutonium. CAARS will also be capable of the detection of traditional contraband such as high explosives and drugs, but may not do so with the same level of automation. Search for traditional contraband will continue to require operator image analysis.

Unlike the ASP program, that was able to leverage existing deployment structures and agreements, the CAARS Program must address deployment structures as part of the development process. That is, the deployment of CAARS to land and sea-ports may require fixed, gantry, mobile and/or secondary crane systems. Thus, the CAARS Acquisition Plan provides for the execution of necessary contracts with radiography providers as well as container terminal operators to design and deliver necessary CAARS infrastructure or modifications.

Thus, the DHS goal of 100% physical screening of all cargo containers for radiological and nuclear threat objects can only be attained through deployment of both passive (ASP) and radiographic (CAARS) detection systems to screen all cargo entering the United States. The goal to achieve 100% national coverage of radiographic screening with CAARS will be accomplished incrementally from FY08-FY12 as follows: 1) In FY08, approximately 4% of the total number of CAARS production systems will be deployed; 2) In FY09 approximately 18%; 3) In FY10 approximately 37%; 4) in FY11 approximately 60%; and 5) In FY12 100% of all CAARS production units will be deployed, resulting in the capability to conduct 100% radiographic screening of all cargo containers entering the United States.

In early FY 2006, DHS intends to issue an RFP, and to subsequently select up to three vendors to conduct an 18-24 month Concept and Technology Development phase, followed by a 2 month Developmental Test and Evaluation (DT&E) Phase. The DT&E includes developmental data collection against a variety of highly dense material (shielded and unshielded) in empty cargo containers and containers with various types of cargo. A performance-focused DT&E program will be conducted at the Nevada Test Site (NTS) at the Radiological and Nuclear Countermeasures Test and Evaluation Complex (Rad/NucCTEC). Based on the results of the DT&E, DHS intends to release a subsequent RFP in the 3rd Quarter of FY07 to down select to up to one vendor and award a contract in FY08 for Engineering Development, Pilot Deployment and Operational Test and Evaluation (OT&E), and Low Rate Initial Production (LRIP, Spiral Development and Full Rate production. DNDO, in cooperation with container terminal operators, will contract for and fund the delivery of radiography

facilities or modifications suitable for CAARS Pilot deployment.

2. Significant Changes

No information was submitted for this Capital Investment as part of the FY 2006 Congressional Justification.

3. Project Schedule

	Fiscal Quarter and Year				Total Estimated Cost ($000)	Total Project Cost ($000)
	Work Initiated	Work Completed	Project Start	Project Complete		
Concept Exploration	3Q FY 2006	3Q FY 2008			$53,250	
Engineering Development	4Q FY 2008	4Q FY 2011			$72,000	
Production	4Q FY 2008	4Q FY 2011			$828,000	

4. Schedule of Project Funding
(Dollars in Thousands)

	Prior	FY 2005	FY 2006	FY 2007	Total
Appropriation				$30,250	$30,250
Obligation (actual and planned)				$30,250	$30,250
Expenditure (actual and planned)				$30,250	$30,250
Break down of project related expenditures:					
CAARS Non-recurring engineering				$30,250	$30,250
CAARS Acquisition				--	--
CAARS Installation				--	--
Total Project Expenditures				$30,250	$30,250

5. Cost Estimate Detail and Changes
(Dollars in Thousands)

	Current Estimate	Previous Estimate
Detailed Breakdown of Project phases:		
CAARS Non-recurring engineering		
Prime vendors	$24,000	
Assessments support	$2,750	
Systems Engineering support	$2,000	
Other support	$1,500	
CAARS Acquisition	--	
CAARS Installation	--	

Project Total	$30,250

6. Method of Performance

Earned Value Management System (EVMS) techniques will be used by the program office and by the system vendors.

Specific project performance measures from the Exhibit 300 are listed below.

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2006	Prevention: Automated detection of 80% of all cargo containers entering the U.S. for radiological and nuclear threats	None – program start		To be reported at the end of the fiscal year		
2007	Prevention	None – Engineering development program		To be reported at the end of the fiscal year		
2008	Prevention	0% capability to detection rad/nuc threats in cargo containers	A 4% improvement in operational efficiency to detect rad/nuc threats in cargo containers with the deployment of 20 CAARS units	To be reported at the end of the fiscal year	Percentage of cargo containers to be inspected with CAARS	To be reported at the end of each fiscal year
2009	Prevention	4%	A 18% improvement in operational efficiency to detect rad/nuc threats in cargo containers with the deployment of 70 CAARS units	To be reported at the end of the fiscal year	Percentage of cargo containers to be inspected with CAARS	To be reported at the end of each fiscal year

2010	Prevention	18%	A 37% improvement in operational efficiency to detect rad/nuc threats in cargo containers with the deployment of 95 CAARS units	To be reported at the end of the fiscal year	Percentage of cargo containers to be inspected with CAARS	To be reported at the end of each fiscal year
2011	Prevention	37%	A 60% improvement in operational efficiency to detect rad/nuc threats in cargo containers with the deployment of 120 CAARS units	To be reported at the end of the fiscal year	Percentage of cargo containers to be inspected with CAARS	To be reported at the end of each fiscal year

7. Related Annual Funding Requirements
(Dollars in Thousands)

	FY 2007	
	Current Estimate	Previous Estimate
Maintenance and operations of systems	~10%	
Total		

8. Budget Allocation to Programs

Program	Allocated Budget ($000)	
	FY 2006	FY 2007
Research, Development, and Operations	--	$30,250
Systems Acquisition	--	--
Total	$0	$30,250

9. Compliance with applicable Public Laws, Regulations, Standards and Executive Orders

The Cargo Advanced Automated Radiography Systems (CAARS) Program is compliant with all applicable laws, regulations, standard, and executive orders.

H. PPA Budget Justifications

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Management and Administration
Funding Schedule
(Dollars in Thousands)

PPA: Management and Administration		2005 Actual	2006 Rev. Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	---	---	$13,439	$13,439
12.1	Benefits	---	---	3,763	3,763
21.0	Travel	---	---	210	210
23.1	GSA rent	---	---	3,000	3,000
25.2	Other Services	---		5,590	5,590
25.7	Operation & maintenance of equipment	---		4,258	4,258
26.0	Supplies & materials	---	---	208	208
Total, Management and Administration		---	---	**$30,468**	**$30,468**
Full Time Equivalents		---	---	112	112

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

PPA Mission Statement

The Management and Administration request provides for the execution of salaries, benefits, and expenses related to 112 FTE.

As a jointly-staffed office, the DNDO staff is made up of approximately 66 interagency detailees, augmenting the approximately 46 DNDO Federal staff members. Prior to FY 2007, these detailees were provided by the parent organization on a non-reimbursable basis. However, beginning in FY 2007, the DNDO has agreed to begin to reimburse parent organizations for all detailed staff. Additionally, the staff of the DNDO is expected to continue to grow to the full compliment of 106 FTE (DNDO employees and detailees) throughout FY 2007, through continued hiring of DNDO employees.

Additionally, the Management and Administration request includes all DNDO rent payments and contributions to the DHS Working Capital Fund.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$0**	**$17,202**	**$17,202**

Salaries and Benefits includes costs for 106 FTEs. The FY 2007 request includes increases of $14,093,000 in program changes and $3,109,000 in adjustments to base, including transfers from DHS S&T.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$0**	**$210**	**$210**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $210,000 in adjustments to base (transfers from DHS S&T) and program increases.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$0**	**$3,000**	**$3,000**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $3,000,000 in adjustments to base (transfers from DHS S&T) and program increases.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$0**	**$5,590**	**$5,590**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $5,590,000 n adjustments to base (transfers from DHS S&T) and program increases.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$0**	**$0**	**$4,258**	**$4,258**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes increases of $4,258,000 in adjustments to base (transfers from DHS S&T) and program increases.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$0**	**$208**	**$208**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases $208,000 in adjustments to base (transfers from DHS S&T) and program increases.

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Research, Development, and Operations
Funding Schedule
(Dollars in Thousands)

PPA: Research, Development, & Operations		2005 Actual	2006 Rev. Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
25.1	Advisory & Assistance Services	---	---	19,900	19,900
25.4	Operation & maintenance of facilities	---	---	7,000	7,000
25.5	Research & Development	---	---	300,420	300,420
Total, Research, Dev., & Operations		---	---	**$327,320**	**$327,320**
Full Time Equivalents		---	---	---	---

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

PPA Mission Statement

Because no single detection layer can prevent the illicit importation of nuclear or radiological material, partnerships across Federal, State and local government agencies and the private sector are critical in creating a well coordinated, layered defense. To meet this need, the DNDO is responsible for developing the overall global detection architecture, with the significant involvement of all relevant Federal agencies and State and local stakeholders. The DNDO will assess and link existing programs, in addition to initiating new programs. This approach will ensure that architecture deployments proceed as part of a unified prevention, detection, and interdiction strategy. This strategy is based on defendable and measurable assessments of the effectiveness of specific system components. The resulting architecture will then be steadily improved by developing better detection technologies, real-time reporting of detection alarms, and rapid and effective responses to real threats.

The architecture also provides a clear roadmap for all DNDO activities, be it research, development, acquisition, or operations. Outcomes from DNDO programs will address gaps identified by the architecture analysis. This ensures that DNDO programs are firmly grounded in operational needs.

The DNDO has the lead responsibility for conducting the necessary research, development, test, and evaluation (RDT&E) to implement the proposed domestic nuclear detection system. In this regard, the DNDO is initiating several major technology development programs to meet immediate operational requirements. This includes programs in passive spectroscopic portal systems, advanced radiography imaging systems, and advanced handheld, backpack, and mobile detection systems. A major tenet of these development programs is an emphasis on high-fidelity test and evaluation as well as user-based operational testing, followed by rigorous red team assessments of deployed systems. Furthermore, the DNDO will provide significant and sustained funding to ensure that the National Laboratories, the private sector, and academia are devoting the best minds to the advancement of detection technologies.

While technology is a critical tool in combating terrorism, the nuclear threat cannot be effectively overcome by technology alone. Accordingly, the DNDO has initiated significant efforts to ensure that the right people and infrastructure are in place to develop a fully-integrated operating environment. Key to this integration is the ability to fuse detection data and intelligence assessments in a near real-time environment to maintain situational awareness. This requires that the DNDO maintain a close, working relationship with the Intelligence Community. This integrated approach to detection and information analysis will ultimately provide substantial improvements in alarm resolution, threat assessments, data trend analysis, and, most importantly, overall probability of mission success.

Developing a fully-integrated operating environment extends beyond establishing information sharing and analysis capabilities. Information can only be utilized effectively if it is shared in a timely manner with the appropriate personnel, based on established protocols. To facilitate this process, all detection equipment deployed using DNDO resources will be accompanied by thorough training and exercise materials and established response protocols for resolving alarms.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$0**	**$19,900**	**$19,900**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $19,900,000 in adjustments to base (transfers from DHS S&T) and program increases.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$0**	**$7,000**	**$7,000**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $7,000,000 in program increases to fund the operations of the Radiological and Nuclear Countermeasures Test and Evaluation Complex.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Research and Development	**$0**	**$0**	**$300,420**	**$300,420**

Research and Development includes costs for contracts for the conduct of basic and applied research and development. The FY 2007 request includes an increase of $53,768,000 due to program changes and $246,652,000 in adjustments to base (transfers from DHS S&T) and program increases.

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
Systems Acquisition
Funding Schedule
(Dollars in Thousands)

PPA: Systems Acquisition		2005 Actual	2006 Rev. Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
25.3	Purchase from Govt. Accts.	---	---	50,340	50,340
31.0	Equipment	---	---	127,660	127,660
Total, Systems Acquisition		---	---	**$178,000**	**$178,000**
Full Time Equivalents		---	---	---	---

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

PPA Mission Statement

Beginning in FY 2006, the DNDO assumed management responsibility for all DHS procurement and deployments of the domestic nuclear detection architecture. In FY 2006, this included only acquisition of systems to the Nation's POEs. However, beginning in FY 2007, this responsibility will expand to include the acquisition of a Federally-owned "surge" detection capacity.

The DNDO acquisition program is directly tied to robust Systems Development and Systems Engineering programs. The methodology employed in this program ensures that all acquired systems have been fully evaluated prior to any acquisition decisions, such that all systems deployed are operated in a known and efficient manner. Additionally, all deployed technologies will be accompanied by the appropriate training, exercise, and response protocols. This will ensure that all systems are operated properly, and all alarms are immediately reported to the appropriate agencies and personnel.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$0**	**$50,340**	**$50,340**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $50,340,000 in adjustments to base (transfers from DHS S&T) and program increases.

	2005 Actual	2006 Rev. Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$0**	**$127,660**	**$127,660**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $21,000,000 in program changes to fund the procurement of mobile detection assets and $106,660,000 in adjustments to base (transfers from DHS S&T) and program increases.

I. Schedule of Working Capital Fund

Department of Homeland Security
Domestic Nuclear Detection Office
Research, Development, Acquisition, and Operations
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Management and Administration	---	---	$9,840	$9,840
Research, Development, and Operations	---	---	---	---
Systems Acquisition	---	---	---	---
Total Working Capital Fund	**$0**	**$0**	**$9,840**	**$9,840**

Note: FY 2006 Revised Enacted amounts were included in the FY 2006 DHS Science and Technology Appropriations. This request includes these Appropriations as transfers to the DNDO in FY 2007.

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Department of Homeland Security

Domestic Nuclear Detection Office

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

DOMESTIC NUCLEAR DETECTION OFFICE (DNDO)

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A. Mission and Description of Domestic Nuclear Detection Office (DNDO)

Key to the success of the Department of Homeland Security is improving the Department's ability to mitigate risks across the entire threat spectrum. In recognition of the catastrophic risk posed by the use of a nuclear weapon within the United States, the Department has integrated all nuclear detection research, development, test, evaluation, acquisition, and operational support in a single office. To this end, the Domestic Nuclear Detection Office will develop the global nuclear detection architecture, and acquire and support the deployment of the domestic detection system to detect and report attempts to import or transport a nuclear device or fissile or radiological material intended for illicit use.

The DNDO will:

- Develop the global detection architecture and ensure linkages across Federal, State, and local agencies;
- Create a well-integrated detection and reporting system for interdicting nuclear and radiological materials, both domestically and internationally;
- Enhance current detection capabilities to improve probability of detection and interdiction by integrating and deploying current technologies, continually improving these technologies through near-term enhancements and transformational research and development, and expanding detection capabilities at the State and local levels; and
- Establish standards, response protocols, and training across the Federal, State, and local levels to ensure that detection leads to timely response actions.

The DNDO has the primary responsibility within the Department of Homeland Security to integrate efforts across the Department in combating the threat of nuclear attack. Equally importantly, the DNDO is the lead Departmental representative for all interagency activities to coordinate the U.S. Government (USG) nuclear defense posture. To meet this diverse mission, the DNDO is jointly-staffed, with representatives from the Department of Defense (DoD), Department of Energy (DOE), Department of Justice's (DOJ) Federal Bureau of Investigation (FBI), the State Department, and the Nuclear Regulatory Commission (NRC), as well as DHS components, including the Science and Technology Directorate, U.S. Customs and Border Protection, the Transportation Safety Administration, and the U.S. Coast Guard. The five major subdivisions of the DNDO are the Office of Systems Engineering (OSE), Office of Systems Development and Acquisition (OSDA), Office of Transformational Research and Development (OTRD), Office of Assessments (OA), and Office of Operations Support (OOS). Each of these subdivisions performs a unique and critical role within the DNDO.

The DNDO implements the technology development cycle across all of the subdivisions. The cornerstone of all effective systems development and deployment efforts must be a well-defined systems architecture, implemented according to clear systems engineering practices; OSE performs this critical initial work. Technology solutions to meet the emerging requirements from these systems analyses are developed within two subdivisions: OSDA and OTRD. OSDA pursues near-term, operationally-driven technology development programs, resulting in fully-tested, deployable systems within three years of the conclusion of concept exploration. OTRD, concurrently, executes the long-range, higher risk research programs that are likely to deliver the highest payoff improvements in detection capabilities needed to address critical capability gaps in the Nation's detection architecture. The research, development, and acquisition programs executed by these two subdivisions are anchored by an independent assessment of technologies, conducted by OA, as

they are developed, deployed, and operated. Finally, OOS must ensure that the developed technologies are deployed into an environment that is informed by the Nation's intelligence, counterterrorism, and law enforcement communities and operated according to standardized training and response protocols.

B. Major Activities and Key Strategic Issues

No single detection layer alone can prevent the importation of nuclear or radiological material with the intent to harm the Nation. Therefore, partnership across government agencies and the private sector is absolutely critical in creating a well coordinated, robust layered defense with built-in redundancies. To meet this need, the DNDO is responsible for developing the overall global detection architecture, with the significant involvement of all relevant Federal agencies. This architecture will assess and link existing programs, as well as potentially initiate new programs, to ensure that deployments proceed according to as complete of a prevention and detection strategy as possible. This strategy must be based on defensible and measurable assessments of the effectiveness of specific system components of that strategy for improving homeland security. The resulting architecture must then be steadily improved by developing better detection technologies, real-time reporting of detections of threatening materials, and effective responses to real threats.

As the primary component within the Department responsible for addressing the threat of a nuclear attack, the DNDO has sole responsibility for the research, development, test, and evaluation (RDT&E) necessary to implement the proposed domestic detection system. In this regard, the DNDO is initiating several major technology development programs to meet immediate operational requirements. These include programs in passive spectroscopic portal systems, advanced radiography imaging systems, and advanced handheld, backpack, and mobile detection systems. A major element of these development programs is the focus on high-fidelity test and evaluation as well as user-in-the-loop operational testing. The transformational research and development program represents an additional major initiative to provide significant and sustained funding to ensure that the National Laboratories, the private sector, and academia are devoting the best and brightest minds to pushing the state-of-the-art in detection technologies through innovative approaches.

While technology is a critical tool to combat terrorism, the nuclear threat is not one that can be effectively overcome by technology alone. Accordingly, while the DNDO has initiated major programs to develop and acquire technologies, significant efforts have also been undertaken to ensure that the people and infrastructure required are available to develop a fully integrated operating environment. Key to this integration is the ability to fuse detection data and intelligence assessments in a near real-time environment to maintain an overall system and situational awareness. This requires that the DNDO closely interact with the Intelligence Community as a developer of intelligence requirements and consumer of intelligence products; this integrated approach to detection and information analysis will ultimately provide substantial improvement in alarm resolution, threat assessments, data trend analysis, and, most importantly, overall probability of mission success.

C. Resources Requested and Performance Impact

The proposed President's Budget of $535,788,000 will maintain ongoing activities to develop the global nuclear detection architecture, and acquire and support the deployment of the domestic detection system to detect and report attempts to import or transport a nuclear device or fissile or

radiological material intended for illicit use. The DNDO will continue to support the Department's strategic mission and goals by serving as the primary organization within the Department to integrate efforts across DHS in combating the threat of nuclear attack, including all research, development, test, and evaluation of nuclear detection systems, as well as the acquisition and operational support of the domestic nuclear detection system.

The DNDO had no activities included in current or past Office of Management and Budget (OMB) Performance Assessment Rating Tool (PART) reviews.

D. How DNDO Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

The following list of DNDO programs, with their performance goals, are followed by the DHS strategic objective they support.

Systems Engineering and Architecture program performance goal – Develop the systems architecture, conduct all associated systems engineering, and develop technology roadmaps for risk areas in nuclear detection.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Systems Development and Acquisition program performance goal – Incrementally design, develop, acquire, and support the deployment of a system capable of rapid and high-reliability detection and identification of special nuclear material with out restriction to commerce.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Transformational Research and Development program performance goal – Develop the future nuclear detection technologies that will be capable of detecting all nuclear material entering the United States Homeland.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Assessments program performance goal – Develop the tools and methodology for and to assess the Nation's domestic nuclear detection capabilities through a combination of developmental and operational test and evaluation, as well as active red-teaming exercises.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Operations Support program performance goal – Establish and maintain a real-time situational awareness and support capability for the national nuclear detection architecture, including information analysis, technical reachback, and the development of training and operational response protocols.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

Radiological and Nuclear Forensics and Attribution program performance goal – Provide the Nation with the ability to determine the origin and method of nuclear or radiological attack for the purpose of prosecution or other U.S. Government action.

2.3 Provide operational end users with the technology and capabilities to detect and prevent terrorist attacks, means of terrorism and other illegal activities.

E. Performance Based Budget Highlights by Program

For each FYHSP program, the performance goal, performance measure/s, budget including allocation of non-programmatic overhead, and FTE are:

Performance Goal: Develop the systems architecture, conduct all associated systems engineering, and develop technology roadmaps for risk areas in nuclear detection.						
Measure: Number of Architecture layers defined.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	9	N/A
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Percentage of Architecture layers assessed.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	N/A	22%
	Actual	N/A	N/A	N/A	N/A	N/A
Program: Systems Engineering and Architecture	$ Thousands	N/A	N/A	N/A	$20,129	$30,158
	FTE	N/A	N/A	N/A	3	17

Performance Goal: Incrementally design, develop, acquire, and support the deployment of a system capable of rapid and high-reliability detection and identification of special nuclear material with out restriction to commerce.						
Measure: Number of Cargo Advanced Automated Radiography Systems acquired.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	N/A	2 prototypes
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of individual Urban Area Security Designs prepared for the Securing the Cities Program.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of multi agency working group program reviews held for the Securing the Cities Program.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	3	6
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of next generation detection systems acquired.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	112	155
	Actual	N/A	N/A	N/A	N/A	N/A
Program: Systems Development and Acquisition	$ Thousands	N/A	N/A	N/A	$186,802	$293,158
	FTE	N/A	N/A	N/A	3	22

Performance Goal: Develop the future nuclear detection technologies that will be capable of detecting all nuclear material entering the United States Homeland.						
Measure: Number of advanced detection technologies successfully demonstrated.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Percent of proposals awarded.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	3%	6%
	Actual	N/A	N/A	N/A	N/A	N/A
Program: Transformational Research and Development	$ Thousands	N/A	N/A	N/A	$56,955	$102,519
	FTE	N/A	N/A	N/A	2	9

Performance Goal: Develop the tools and methodology for and to assess the Nation's domestic nuclear detection capabilities through a combination of developmental and operational test and evaluation, as well as active red-teaming exercises.						
Measure: Number of Red Teaming exercises conducted.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of Net Assessments performed.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	N/A	1
	Actual	N/A	N/A	N/A	N/A	N/A
Measure: Number of tests conducted annually to assess system capability.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	2	2
	Actual	N/A	N/A	N/A	N/A	N/A
Program: Assessments	$ Thousands	N/A	N/A	N/A	$26,668	$38,198
	FTE	N/A	N/A	N/A	3	15

Performance Goal: Establish and maintain a real-time situational awareness and support capability for the national nuclear detection architecture, including information analysis, technical reachback, and the development of training and operational response protocols.						
Measure: Number of personnel trained in radiological and nuclear preventive detection skills.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	300	1,200
	Actual	N/A	N/A	N/A	N/A	N/A
Program: Operations Support	$ Thousands	N/A	N/A	N/A	$26,838	$54,055
	FTE	N/A	N/A	N/A	3	43

Performance Goal: Provide the Nation with the ability to determine the origin and method of nuclear or radiological attack for the purpose of prosecution or other U.S. Government action.						
Measure: New Program for FY 2007; Measure to be developed.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	N/A	N/A	N/A	N/A	N/A
	Actual	N/A	N/A	N/A	N/A	N/A
Program: Radiological and Nuclear Forensics and Attribution	$ Thousands	N/A	N/A	N/A	N/A	$17,700
	FTE	N/A	N/A	N/A	N/A	6

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY2005 Actual		FY2006 Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2006					
							Total Changes		Program Changes		Other Changes	
Budget Activity	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Systems Engineering and Architecture	--	--	[3]	[20,129]	17	30,158	17	30,158	14	9,620	3	20,538
Systems Development and Acquisition	--	--	[3]	[186,802]	22	293,158	22	293,158	19	102,558	3	190,600
Transformational Research and Development	--	--	[2]	[56,955]	9	102,519	9	102,519	7	44,406	2	58,113
Assessments	--	--	[3]	[26,668]	15	38,198	15	38,198	12	10,988	3	27,210
Operations Support	--	--	[3]	[26,838]	43	54,055	43	54,055	40	26,671	3	27,384
Radiological and Nuclear Forensics and Attribution	--	--	--	--	6	17,700	6	17,700	--	2,905	6	14,795
Unobligated budget expiring												
Subtotal, Budget Authority (All Sources)	--	--	**[14]**	**[317,392]**	**112**	**535,788**	**112**	**535,788**	**92**	**197,148**	**20**	**338,640**
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	--	--	**[14]**	**[317,392]**	**112**	**535,788**	**112**	**535,788**	**92**	**197,148**	**20**	**338,640**

The above digest lists total appropriations for all DNDO FYHSP programs.

Department of Homeland Security

Preparedness Directorate

Fiscal Year 2007

Overview
Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Preparedness Directorate
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual*		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Office of the Under Secretary, Preparedness	N/A	N/A	85	$15,918	106	$74,468	21	$58,550	21	$55,258	---	$3,292
State and Local Programs (SLP)	[192]	[$3,269,847]	200	2,714,287	200	2,456,559	---	(257,728)	---	---	---	(257,728)
Assistance to Firefighter Grants (AFG)	[33]	[$715,000]	33	648,450	33	293,450	---	(355,000)	---	---	---	(355,000)
Radiological Emergency Preparedness Program (REPP)	[78]	[$-1,184]	90	(1,266)	130	(477)	40	789	---	---	40	789
U.S. Fire Administration (USFA)	[113]	[$42,847]	113	44,499	114	46,849	1	2,350	1	1,500	---	850
Infrastructure Protection and Information Security (IPIS)	N/A	N/A	445	619,244	445	549,140	---	(70,104)	---	45,000	---	(115,104)
Biodefense Countermeasures	---	[$188,767]	---	---	---	---	---	---	---	---	---	---
Subtotal, Enacted Appropriations and Budget Estimates	N/A	**N/A**	**966**	**$4,041,132**	**1,028**	**$3,419,989**	**62**	**($621,143)**	**22**	**$101,758**	**40**	**($722,901)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropppriations and Budget Estimates	N/A	N/A	**966**	**$4,041,132**	**1,028**	**$3,419,989**	**62**	**($621,143)**	**22**	**$101,758**	**40**	**($722,901)**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had comparable FY 2005 funding levels. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

ii. Homeland and Non-Homeland Allocation

Department of Homeland Security
Preparedness Directorate
Homeland and Non-Homeland Allocation by Program/Project Activity **
(Dollars in Thousands)

Budget Activity	2005 Enacted*						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of the Under Secretary Preparedness	N/A	N/A	N/A	N/A	N/A	N/A	85	$15,918	---	$0	85	$15,918	106	$74,468	---	$0	106	$74,468
- Office of the Under Secretary	---	---	---	---	---	---	70	13,055	---	---	70	13,055	71	17,497	---	---	71	17,497
- National Capital Region Coordination (NCRC)	[3]	[$688]	---	---	[3]	[$688]	5	863	---	---	5	863	6	1,991	---	---	6	1,991
- Chief Medical Officer (CMO)	---	---	---	---	---	---	10	1,980	---	---	10	1,980	15	4,980	---	---	15	4,980
- National Preparedness Integration Program (NPIP)	---	---	---	---	---	---	---	---	---	---	---	---	14	50,000	---	---	14	50,000
State and Local Programs (SLP)	N/A	N/A	N/A	N/A	N/A	N/A	192	$2,531,137	8	$183,150	200	$2,714,287	189	$2,286,559	11	$170,000	200	$2,456,559
- State Preparedness Grants Program	[43]	[$1,528,980]	[5]	[$180,000]	[48]	[$1,708,980]	46	1,029,600	8	183,150	54	1,212,750	43	668,000	11	170,000	54	838,000
- Targeted Infrastructure Capability Grants Program	[32]	[$1,194,999]	---	---	[32]	[$1,194,999]	36	1,143,450	---	---	36	1,143,450	36	1,468,000	---	---	36	1,468,000
- National Exercise Program	[27]	[$52,000]	---	---	[27]	[$52,000]	30	51,480	---	---	30	51,480	30	48,708	---	---	30	48,708
- State and Local Training Program	[26]	[$195,000]	---	---	[26]	[$195,000]	44	207,900	---	---	44	207,900	44	92,351	---	---	44	92,351
- Technical Assistance Program	[11]	[$61,082]	---	---	[11]	[$61,082]	12	19,800	---	---	12	19,800	12	11,500	---	---	12	11,500
- Evaluations Program	[17]	[$14,300]	---	---	[17]	[$14,300]	24	14,157	---	---	24	14,157	24	23,000	---	---	24	23,000
- Systems Support	---	[$50,000]	---	---	---	[$50,000]	---	99,800	---	---	---	99,800	---	---	---	---	---	---
- Management and Administration	[31]	[$2,546]	---	---	[31]	[$2,546]	---	4,950	---	---	---	4,950	---	5,000	---	---	---	5,000
Assistance to Firefighter Grants (AFG)	N/A	N/A	N/A	N/A	N/A	N/A	---	---	33	648,450	33	648,450	33	293,450	---	---	33	293,450
- Fire Program Activities	---	---	[33]	[$652,000]	[33]	[$652,000]	---	---	33	539,550	33	539,550	33	293,450	---	---	---	293,450
- SAFER Act Hiring Program	---	---	---	[$63,000]	---	[$63,000]	---	---	---	108,900	---	108,900	---	---	---	---	---	---
Radiological Emergency Preparedness Program (REPP)	[78]	[-$1,184]	---	---	[78]	[-$1,184]	90	(1,266)	---	---	90	(1,366)	130	(477)	---	---	130	(477)
United States Fire Administration (USFA)	N/A	N/A	N/A	N/A	N/A	N/A	---	---	113	44,459	113	44,459	---	---	114	46,849	114	46,849
Infrastructure Protection and Information Security (IPIS)	N/A	N/A	N/A	N/A	N/A	N/A	445	$619,244	---	$0	445	$619,244	445	$549,140	---	$0	445	$549,140
- Management and Administration	---	---	---	---	---	---	445	82,509	---	---	445	82,509	445	84,650	---	---	445	84,650
- Critical Infrastructure Outreach and Partnership	---	[$106,592]	---	---	---	[$106,592]	---	111,055	---	---	---	111,055	---	101,100	---	---	---	101,100
- Critical Infrastructure Identification and Evaluation	---	[$77,861]	---	---	---	[$77,861]	---	67,815	---	---	---	67,815	---	71,631	---	---	---	71,631
- National Infrastructure Simulation and Analysis Center	---	[$20,000]	---	---	---	[$20,000]	---	19,800	---	---	---	19,800	---	16,021	---	---	---	16,021
- Biosurveillance	---	[$11,000]	---	---	---	[$11,000]	---	13,959	---	---	---	13,959	---	8,218	---	---	---	8,218
- Protective Actions	---	[$101,647]	---	---	---	[$101,647]	---	90,485	---	---	---	90,485	---	32,043	---	---	---	32,043
- Cyber Security	---	[$67,380]	---	---	---	[$67,380]	---	92,415	---	---	---	92,415	---	92,205	---	---	---	92,205
- NSEP Telecommunications	---	[$140,754]	---	---	---	[$140,754]	---	141,206	---	---	---	141,206	---	143,272	---	---	---	143,272
Biodefense Countermeasures	---	[$2,508,000]	---	---	---	[$2,508,000]	---	---	---	---	---	---	---	---	---	---	---	---
Total Direct Appropriations and Budget Estimates	N/A	N/A	N/A	N/A	N/A	N/A	812	$3,165,033	154	$876,059	966	$4,041,132	903	$3,203,140	125	$216,849	1,028	$3,419,989
Fee Accounts	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had comparable FY 2005 funding levels. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

** PPA amounts represented for FY 2006 and FY 2007 are consistent with the Revised Enacted Budget and President's Budget Request. This display is not fully consistent with the Homeland Security Database (HSDB) figures as follows: 1) The FY 2006 1% rescission has been spread proportionally (this display) rather than being taken solely from IPIS M&A (HSDB display). 2) The FY 2007 CIIS PBK is $300,000 less (crossing for FY 2007 IPIS total to be $300,000 less as well) than the HSDB representation. 3) The Office of the Under Secretary Preparedness appropriation displays five PPAs as compared to a single Management and Administration PPA in the HSDB. 4) State and Local Programs FY 2006 and FY 2007 displays the Management and Administration (M&A) amounts within each Program, where as the HSDB displays the total M&A contribution in the Management and Administration PPA. 5) State and Local Programs – the Evaluations and Assessments PPA is displayed separately from the Management and Administration PPA, where as the Evaluations and Assessments PPA part of the Management and Administration PPA in the HSDB.

Explanation of Changes

Assistance to Firefighter Grants FY 2007 request includes that priority be given to applications enhancing terrorism capabilities where this priority does not exist in FY 2006, thus changing the status of funding from Non-Homeland to Homeland.

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Preparedness Directorate

Status of Congressionally Requested Studies, Reports, and Evaluations

1. 1Q FY06 Protective Security Field Personnel Report: House Report 109-79, page 106 directs the Committee the continuation of the quarterly report summarizing the status of the implementation of the PSA and FSD programs, including the number and locations of field personnel, the number of site assistance visits, buffer zone protection plans, and site verification and assistance visits that have been completed. Target response to Committee March 14, 2006.

2. Comprehensive Review High Value Sectors: House Report 109-79, page 106, directs IAIP to provide a report (classified if necessary) on the progress of the Comprehensive Review including progress to date, a summary of the findings, action plans for addressing vulnerabilities (especially spent nuclear fuel storage), and a plan for expansion to other high value sectors. Target response to Committee March 24, 2006.

3. Chemical Sector Security Requirements: Conference Report 109-241, page 34 directs a report on the resources needed to implement mandatory security requirements for the Nation's chemical sector and to create a system for auditing and ensuring compliance with the security standards. The report should also include a description of the security requirements and any reasons why the requirements should differ from those already in place for chemical facilities that operate in a port zone. Target response to Committee March 24, 2006.

4. National Center for Critical Information Processing and Storage (NCCIPS): Conference Report 109-241, Senate Report 109-83, pages 71 & 84 directs a report, no later than February 10, 2006, on the progress of further developing NCCIPS. Target response to Committee March 24, 2006.

5. Catastrophic Planning: Conference Report 109-241, page 68 directs the Secretary to report on the status of catastrophic planning, including mass evacuation planning in all 50 states and the 75 largest urban areas by February 10, 2006. The report should include certifications from each state and urban area as to the exact status of plans for evacuations of entire metropolitan areas in the state and the entire state, the dates such plans were last updated, the date exercises were last conducted using the plans, and plans for sustenance of evacuees. Target response to Committee March 24, 2006.

6. 2Q FY06 Protective Security Field Personnel Report: House Report 109-79, page 106 directs the Committee therefore directs the continuation of the quarterly report summarizing the status of the implementation of the PSA and FSD programs, including the

number and locations of field personnel, the number of site assistance visits, buffer zone protection plans, and site verification and assistance visits that have been completed. These reports shall be provided no later than 30 days after the end of each quarter. Target response to April 30, 2006.

7: 3Q FY06 Protective Security Field Personnel Report: House Report 109-79, page 106 directs the Committee the continuation of the quarterly report summarizing the status of the implementation of the PSA and FSD programs, including the number and locations of field personnel, the number of site assistance visits, buffer zone protection plans, and site verification and assistance visits that have been completed. These reports should be provided no later than 30 days after the end of each quarter. Target response to Committee July 30, 2006.

8. 4Q FY06 Protective Security Field Personnel Report: House Report 109-79, page 106 directs the Committee the continuation of the quarterly report summarizing the status of the implementation of the PSA and FSD programs, including the number and locations of field personnel, the number of site assistance visits, buffer zone protection plans, and site verification and assistance visits that have been completed. These reports shall be provided no later than 30 days after the end of each quarter. Target response to Committee October 30, 2006.

9. Rail and Transit Security: Conference Report 109-241, House Report 109-79, pages 66 & 81, the Committee is concerned by a recent ODP risk assessment that highlights the need for redundant transit operations control abilities in the national capital region to maintain Federal government continuity of operations. The Committee directs ODP to submit a report no later than February 10, 2006, on the steps they may take to ensure that this deficiency is addressed. Target response to Committee March 24, 2006.

10. Commercial Equipment Direct Assistance Program (CEDAP): Conference Report 109-79, page 82 directs the Committee a report on any proposed changes to the program. The report shall also include a summary of current and proposed technologies, feedback received from recipients, and how ODP coordinates these awards with State and local governments and their homeland security strategies. Target response to Committee March 24, 2006.

11. Analysis of Training Backlog: House Report 109-79, page 83 directs ODP to comprehensively assess this training backlog and whether providing states and localities with funding targeted to establishing regional first responder training centers will help meet these needs and provide a report on their findings. Target response to Committee March 24, 2006.

12. Grants Management System: House Report 109-79, page 86 directs ODP to provide a report on the requirements, feasibility, and costs of an automated grants management system for the States. Target response to Committee March 24, 2006.

13. Authorized Equipment List: Conference Report 109-79, page 86 directs ODP to review this procedure and provide a report, no later than January 16, 2006, on the benefits and detriments to allowing previous year grant funds to be used for current authorized equipment purchases. Target response to Committee March 24, 2006.

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14. Decontamination Rapid Response Capability: Conference Report 109-241, page 69 directs ODP, in consultation with S&T, the Environmental Protection Agency, and other relevant Federal agencies, to report, not later than February 10, 2006, on the feasibility and plan for establishing a regionally based, pre-positioned rapid response capability for the decontamination of biological and chemical agents based on technologies that meet the decontamination standards for those agents. Target response to Committee March 24, 2006.

15. Open Grants: Conference Report 109-241, page 65 directs the Department to report, by February 10, 2006, on the status of all open grants made prior to fiscal year 2003, including the specific reasons why the grant dollars have not yet been expended. Further, the report should include recommendations on actions being taken to ensure grant funds are spent in a timely manner and include an update on the execution of recommendations of the Task Force on State and Local Homeland Security Funding Report, dated June 2004. Target response to Committee March 24, 2006.

16. Survey of State & Local Government Emergency Officials (interim report): Conference Report 109-241, Senate Bill 2360 EAS, pages 66 & 52 directs the Secretary shall submit an interim report to the Committees on Appropriations of the Senate and the House, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Homeland Security of the House of Representatives on the specific design of the survey. Target response to Committee June 30, 2006.

17. Survey of State & Local Government Emergency Officials (final report): Conference Report 109-241, Senate Bill 2360 EAS, pages 66 & 52 directs the Secretary of Homeland Security shall submit a report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Homeland Security of the House of Representatives that includes—(1) the results of the survey under subsection (c); and (2) a plan to implement changes to address problems identified in the survey. In preparing the report under subsection (a), the Secretary of Homeland Security shall conduct a survey of State and local government emergency officials that— (1) involve enough respondents to get an adequate, representational response from police, fire, medical, and emergency planners on the regional, State, county, and municipal levels, and other State and local homeland security officials as determined by the Secretary; and (2) identifies problems relating to the effectiveness and user-friendliness of programs in which the Department of Homeland Security interacts with State and local officials, including grant management, intelligence sharing, training, incident management, regional coordination, critical infrastructure prioritization, and long-term homeland security planning. Target response to Committee September 30, 2006.

18. Grant Fund Purchases: Conference Report 10-9241, Senate Report 109-83, pages 70 & 69 directs Senate report language on the preparedness of local fire departments; however, the report shall be provided by March 1, 2007, instead of February 18, 2006. [Senate language directs a report to the Committee detailing what State and local governments have purchased with fiscal year 2005 homeland security State and local assistance grants; whether these expenditures have complied with State homeland security plans; and how homeland security has been enhanced by such expenditures.] Target response to Committee March 01, 2007.

19. National Disaster Medical System (NDMS): House Report 109-359, Supplemental to HR 109-359 directs that Chief Medical Officer provide a report to the House and Senate Committees on Appropriations by April 30, 2006, outlining the goals of NDMS, the ability of the current program to meet these goals, the resources (people, training, and funding) required to maintain a system design to rapidly meet nationwide disaster medical needs, and the appropriate roles of DHS and the Department of Health and Human Services in the oversight and management of this critical program. Target response to Committee April 30, 2006.

20. National Strategy for Chemical Facility Security: Conference Report 109-241, page 71 directs the Department to complete a national security strategy for the chemical sector by February 10, 2006. Target response to Committee March 24, 2006.

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iv. Schedule of Authorized/Unauthorized Appropriations

Department of Homeland Security
Preparedness Directorate
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Office of the Under Secretary Preparedness	**N/A**	**N/A**	**N/A**	**$74,468**
State and Local Programs	**N/A**	**N/A**	**N/A**	**2,456,559**
State Preparedness Grants Program	**N/A**	**N/A**	**N/A**	**838,000**
State Homeland Security Grant Program	N/A	N/A	N/A	633,000
Citizen Corps	N/A	N/A	N/A	35,000
Emergency Management Performance Grants	N/A	N/A	N/A	170,000
Targeted Infrastructure Capability Grants Programs	**N/A**	**N/A**	**N/A**	**1,438,000**
UASI Regional Grants	N/A	N/A	N/A	838,000
Targeted Infrastructure Protection	N/A	N/A	N/A	600,000
National Exercise Program	**N/A**	**N/A**	**N/A**	**48,708**
State and Local Training	**N/A**	**N/A**	**N/A**	**92,351**
Continued and Emerging Training	N/A	N/A	N/A	3,000
NDPC (including the CDP)	N/A	N/A	N/A	89,351
Technical Assistance Program	**N/A**	**N/A**	**N/A**	**11,500**
Evaluation and Assessment	**N/A**	**N/A**	**N/A**	**23,000**
Salaries and Expenses	**N/A**	**N/A**	**N/A**	**5,000**
Assistance to Firefighter Grants (AFG)	**N/A**	**N/A**	**N/A**	**293,450**
U.S. Fire Administration (USFA)	**N/A**	**N/A**	**N/A**	**46,849**
Infrastructure Protection and Information Security (IPIS)	**N/A**	**N/A**	**N/A**	**549,140**
Biodefense Countermeasures	**N/A**	**N/A**	**N/A**	**—**
Total Direct Authorization/Appropriation				**$3,420,466**
Fee Accounts	**N/A**	**N/A**	**N/A**	**($477)**
Radiological Emergency Preparedness Program (REPP)	N/A	N/A	N/A	(477)

Department of Homeland Security

Preparedness Directorate

Office of the Under Secretary Preparedness

Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

PREPAREDNESS DIRECTORATE
Office of the Under Secretary Preparedness

I. Appropriation Overview

In 2005, after a systematic evaluation of the Department's operations, policies and structure, DHS realigned its organizational structure. Central to this reorganization was the establishment of the Preparedness Directorate intended to enhance coordination of preparedness and increase overall preparedness, particularly for catastrophic events. All of the Department's existing preparedness efforts – including identifying, assessing and evaluating risk, and then planning coordinating, training, exercising and funding activities to reduce those risks – are now consolidated into a single Directorate led by the Under Secretary for Preparedness.

The Preparedness Directorate lead by the Under Secretary for Preparedness (OUS) unifies preparedness activities among the DHS organizations, with other federal agencies and with the state, local, tribal governments and other stakeholders. The OUS Preparedness leads and manages the resources and activities of seven major Appropriations, including Office of the Under Secretary Preparedness (OUS), State and Local Programs (SLP), Firefighter Assistance Grants (AFG), Radiological Emergency Preparedness Program (REPP), U.S. Fire Administration (USFA), Infrastructure Protection and Information Security (IPIS), and Biodefense Countermeasures. These Programs lead preparedness efforts for natural disasters as well as chemical, nuclear, biological, radiological, and explosive attacks or accidents.

A. Mission Statement for Office of the Under Secretary Preparedness Appropriation

The Office of the Under Secretary Preparedness is the Department and U.S. Government's focal point for building our Nation's preparedness to defend and secure the United States of America from terrorist attack, and to respond to and recover from attacks, major disasters, and other emergencies.

B. Budget Activities:
This justification specifically addresses the Office of the Under Secretary Preparedness Appropriation, which includes the following program activities: Office of the Under Secretary (OUS), National Capitol Region Coordination (NCRC), Chief Medical Officer (CMO), and National Preparedness Integration Program (NPIP).

Office of the Under Secretary (OUS):
The Office of the Under Secretary for Preparedness oversees and directs all activities of the Directorate, coordinates preparedness activities throughout the Department, and serves as an advocate for preparedness across all governmental sectors, preparedness stakeholders, and citizens.

Office of National Capital Region Coordination (NCRC):
The Office of National Capital Region Coordination (NCRC) oversees and coordinates federal programs for and relationships with state, local, and regional authorities in the National Capital Region

(NCR). NCRC also serves as a principal on the NCR Senior Policy Group (SPG), a decision-making and policy entity comprised of the senior direct reports to the Secretary of Homeland Security, the Governors of Maryland and Virginia, and the Mayor of the District of Columbia; and Chairs the Joint Federal Committee, which coordinates activities across all three branches of the Federal government.

Chief Medical Office (CMO):
The CMO ensures internal and external coordination of all medical preparedness activities of the Department; serves as the Secretary's principal advisor on medical issues; and serves as the Department's primary point of contact for external entities on medical preparedness issues.

National Preparedness Integration Program (NPIP)
NPIP recognizes the capabilities and strengths of existing systems and personnel from all levels of government and responders: NPIP will design and realign mechanisms and integrate resources to improve the state of readiness nationwide. This includes specific efforts to align preparedness planning for federal, state, and local command and control processes; improve catastrophic planning effort; enhance communication systems available in an emergency; harmonize medical coordination across all levels of government and provider systems; and encourage and implement innovative ideas and methods for preparedness, as a culture, across the Nation.

C. Budget Request Summary:
Office of the Under Secretary Preparedness Appropriation
This appropriation request continues prior year programs for the Office of the Under Secretary, the Office of National Capitol Region Coordination, and the Chief Medical Officer; in addition, new funding is requested for the National Preparedness Integration Program The FY 2006 revised enacted appropriation is $15,918,000 and 85 FTE; in comparison, the FY 2007 Office of the Under Secretary Preparedness Appropriation request totals $74,468,000 and 106 FTE, which is an increase of $58,550,000 and 21 FTE.

Office of the Under Secretary Preparedness. The Office of the Under Secretary Preparedness requests $17,497,000 and 71 FTE for FY 2007. The total adjustment to base is $3,292,000. This program now includes the transferred Ready.gov program, which was previously managed by the Office of Secretary and Executive Management where its FY 2006 appropriation was $1,629,000. Two increases are requested: An increase of $150,000 and one FTE (two positions) is requested to meet the acquisition support responsibilities of the Office of the Under Secretary Preparedness. An increase of $1,000,000 is also requested for compliance with Public Law 108-330, The Department of Homeland Security Financial Accountability Act.

National Capital Region Coordination (NCRC): The Office of National Capital Region Coordination requests six FTE and $1,991,000 for FY 2007. The NCRC program increases include one FTE (two positions) and $1,108,000 for coordination, support and facilitation of national policy guidance, and to address protocol and alert notification procedure gaps.

Chief Medical Office (CMO): The CMO requests $4,980,000 and 15 FTE for FY 2007. Program increases are requested for an additional five FTE, (10 positions), and $3,000,000 to establish protocols, priorities, and benchmarks for Department-wide medical issues.

National Preparedness Integration Program (NPIP) This new initiate will focus on national preparedness gaps and improving the Nation's ability to prepare, respond and mitigate natural or other

disasters. The new NPIP activities include the addition of 14 FTE (28 positions) and $50,000,000 funding national preparedness integration and synchronization activities.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual*		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Office of the Under Secretary (OUS)	---	$0	70	$13,055	71	$17,497	1	$4,442	1	1,150	---	$3,292
Office of National Capital Region Coordination (NCRC)	[3]	[$609]	5	$883	6	1,991	1	1,108	1	1,108	---	$0
Chief Medical Officer (CMO)	---	---	10	$1,980	15	4,980	5	3,000	5	3,000	---	$0
National Preparedness Integration Program (NPIP)	---	---	---	$0	14	50,000	14	50,000	14	50,000	---	$0
Subtotal, Enacted Appropriations and Budget Estimates	**—**	**$0**	**85**	**$15,918**	**106**	**$74,468**	**21**	**$58,550**	**21**	**$55,258**	**—**	**$3,292**
Less: Adjustments for Other Funding Sources:												

Net, Enacted Appropriations and Budget Estimates	**—**	**$0**	**85**	**$15,918**	**106**	**$74,468**	**21**	**$58,550**	**21**	**$55,258**	**—**	**$3,292**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, OSLGCP, and the OSEM section for NCRC.

III. Current Services Program Description by PPA

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Program Performance Justification
(Dollars in thousands)

PPA: Office of the Under Secretary

	Perm Pos	FTE	Amount
2005 Actual*			
2006 Revised Enacted	**70**	**70**	**$13,055**
2007 Adjustments-to-Base	...	...	3,292
2007 Current Services	**70**	**70**	**$16,347**
2007 Program Change	2	1	1,150
2007 Request	**72**	**71**	**$17,497**
Total Change 2006-2007	2	1	4,442

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.`

Preparedness requests $17,497,000 , which reflects an increase of $4,442,000 over FY 2006. The preparedness activity component, Ready.gov, will transfer to this program from the Office of Secretary and Executive Management, which had base FY 2006 funding of $1,629,000.

CURRENT SERVICES PROGRAM DESCRIPTION:
Under Secretary Office functions include: (1) Advise and assist the Secretary on preparedness matters; (2) Implement national strategies and policies in all matters relating to national preparedness; (3) Establish priorities for directing, funding and conducting national preparedness programs, activities and services for preventing, protecting against, and responding to and recovering from terrorist attacks, major disasters and other emergencies; (4) Oversee and direct all activities of the Directorate and coordinate preparedness activities throughout the Department, (5) Provide administrative functions for the Directorate to include out-year planning and budget formulation, budget execution, disclosure services, facility planning, acquisition support, human capital management, and future-years implementation strategy planning (6) Develop and coordinate training activities for DHS personnel to improve the knowledge base for Counterterrorism techniques and catastrophic planning processes and (7) through the Office of State and Local Government Coordination (SLGC), coordinates state, territorial, tribal and local governments activities for the Department of Homeland Security, (8) support individual and community preparedness through the Ready Campaign websites, (9) the Department's Infrastructure Transformation Program, and (10) an internal audit control function is requested to be added in FY 2007.

DHS Infrastructure Transformation Program
The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share

information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

FY 2006 Accomplishments:

Learning Activities for DHS Preparedness Directorate

- Developed a *Preparedness Directorate Leadership Academy* to address the needs of the workforce and assist them to do their jobs better at all levels. The Leadership Academy provide Supervisory, Managerial and Leadership training to the workforce at three levels—GS10 and below, GS11-13 and GS14/15 in an interactive classroom environment.

- Developed, and delivering on a quarterly basis, a 40hr *Terrorism/Countering Terrorism* course and series of sub-courses for the professional development of the workforce. This course will serve as the benchmark of professional knowledge for the workforce and incorporates subject matter experts from throughout the intelligence and law enforcement communities.

- Develop and deliver a *Mandatory Training Program*: Standing up a robust Preparedness Directorate mandatory training program in the second quarter of FY 2006 that will also serve as the basis for the Department program since the Directorate has the lead for developing the DHS Training Leaders Council Strategic Plan for mandatory training of the Department workforce.

- Developing the *Preparedness Directorate Strategic Plan for Training, Education and Professional Development* of the workforce. The Preparedness Strategic Plan will establish goals and priorities for the training and education of the workforce. It guides and integrates the internal training programs of the newly formed Preparedness Directorate and its component organizations.

Mission Support / Administrative Services

- Chair, develop and deliver a *Comprehensive Senior Level Strategic Planning Course for Catastrophic Events*. This is a joint DHS/DoD project being chaired by the Preparedness Directorates Chief Learning Officer. This course will serve as the foundation-training course for learning and implementing joint planning processes and procedures with DoD and other federal, state, local counterparts. This course addresses many of the recommendations of the soon to be published White House Commission on "Katrina Lessons Learned".

- Office of State Local Government Coordination (OSLGC) will continue to coordinate state, territorial, tribal and local government's activities for the Department of Homeland Security. SLGC serves as a liaison to the Department's directorates, agencies, and bureaus on matters involving policy, operations, programming and initiatives that impact state, territorial, tribal and local homeland security agencies, and their ability to plan and implement homeland security missions and activities.

- Coordinated Human Capital recruitment, on-boarding, and management requirements for a 966-person organization.

- Prepared, planned, managed, and executed the budget and program requirements for a large diverse organization with 966 FTE and a $4 billion budget.

- Developed and implemented a Performance Measurement training program in conjunction with the Department's Chief Financial Office for continuous manage performance measurements and data reporting for the Directorate Programs. This program complies with legislative reporting requirements of the GPRA Act of 1993 and the President's Management Agenda.

- Transitioned the entire Directorate from using paper procurement requests (PR's) to and electronic PR system, PRISM, and emphasized competitive procurements to prevent over reliance on sole sourced based contracts.

Individual and Community Preparedness. The design of the Ready campaign is to educate and empower American citizens to prepare for and respond to potential terrorist attacks and other emergencies.

- The Ad Council has declared the Ready campaign one of the most successful public service advertising campaigns in its 63-year history. Since its launch, the campaign has generated more than $453 million in donated media support. As of September 30, 2005, the campaign's website has received more than 1.9 billion hits and 20 million unique visitors; its toll-free number has received more than 241,000 calls and more than 4.6 million brochures have been requested or downloaded from the website.

- In the wake of Hurricanes Katrina and Rita and National Preparedness Month 2005, the DHS recorded a significant rise in traffic to its Ready Campaign websites and calls to its toll-free phone line, 1-800-BE-READY. During the month of September 2005:
  - Ready.gov logged more than 7 million hits and nearly 290,000 unique visitors;
  - Listo.gov logged more than 300,000 hits and 10,000 unique visitors;
  - Ready Business section logged approximately 830,000 hits;
  - Visitors downloaded 42,000 Ready brochures from the website; and
  - The Campaign's toll free phone received more than 3,100 calls requesting over 98,900 brochures.

FY 2007 Planned Accomplishments:

- Office of State Local Government Coordination (SLGC) will continue to coordinate state, territorial, tribal and local government's activities for the Department of Homeland Security. SLGC serves as a liaison to the Department's directorates, agencies, and bureaus on matters involving policy, operations, programming and initiatives that impact state, territorial, tribal and local homeland security agencies, and their ability to plan and implement homeland security missions and activities.

Learning Activities for DHS Preparedness Directorate

- Continue to deliver the DHS employee *Mandatory Training Program.* Continue to develop and maintain the *DHS Training Leaders Council Strategic Plan* for mandatory training of the Department workforce.

- Continue to maintain the *Preparedness Directorate Strategic Plan for Training, Education and Professional Development* of the workforce and the *Preparedness Directorate Leadership Academy.*

- To create the greatest preparedness benefit for the American people, we will strengthen the Performance Measures process to collect and analyze data more effectively to make corrective actions and program/activity changes that minimize risk and maximize preparedness value.

Mission Support / Administrative Services

- Continue to coordinate Human Capital recruitment, on-boarding, and management requirements for a existing personnel and the new requested personnel

- Continue monitoring and improving the *Comprehensive Senior Level Strategic Planning Course for Catastrophic Events* course to improve planning and communication among all preparedness stakeholders. Initiate the transition of this course to the NPIP program to be expanded and to serve as the foundation-training course for learning and implementing joint planning processes and procedures with DoD and other federal, state, local counterparts.

- Complete the transition of all programs transferred to the Directorate in FY 2006 including consolidation of accounting functions.

- Strengthen the Directorate knowledge base of program management techniques to enhance status reporting and to reduce program/project risk.

- Prepare, plan, manage, and execute the Directorate budget and program requirements.

- Increase strategic planning coordination activities with other DHS entities.

- **Public Awareness Campaign** Through the Ready.gov website, invaluable information will be disseminated to citizens, business and communities that will establish preparedness responsibilities, roles, and necessary preparedness steps that will increase resiliency for unexpected events. This awareness campaign will save lives, reduce suffering, and speed regaining control during a disaster and lessen the recovery time.

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Program Performance Justification
(Dollars in thousands)

PPA: National Capital Region Coordination

	Perm Pos	FTE	Amount
2005 Actual*	**[3]**	**[3]**	**[609]**
2006 Revised Enacted	**5**	**5**	**$883**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	**5**	**5**	**$883**
2007 Program Change	2	1	1,108
2007 Request	**7**	**6**	**$1,991**
Total Change 2006-2007	2	1	1,108

* The Preparedness Directorate did not exist prior to FY 2006. Please see the Office of the Secretary and Executive Management section of the Budget for FY2005 Actuals.

NCRC requests $1,991,000 for its activities. This is an increase of $1,108,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
In FY 2007, NCRC will continue its aggressive efforts to advance homeland security and all hazards preparedness in the National Capital Region (NCR), serving as a model for other parts of the country. NCRC will focus on developing a common regional approach to homeland security that results in integrated strategies and interoperability among federal, state, regional, local and private/nonprofit stakeholders.

NCRC is uniquely positioned to bring together the numerous and diverse stakeholders (federal, state, regional, local, private and nonprofit sector) to proactively address inter-agency, multi-jurisdictional issues that would be difficult for any one stakeholder to move forward. Many of these challenges (e.g., interoperability, identity management, coordinated protocols, mutual aid) have surfaced in the region because of 9/11 and subsequent natural disasters such as Hurricane Isabel. Recent events of national scope, such as Hurricane Katrina, once again underscore the proactive need to address such challenges. NCRC's funding request provides resources for federal responsibilities, while the state, regional, local and private/nonprofit sector partners are supporting their responsibilities.

Additionally, NCRC's responsibilities encompass daily "bread and butter" activities, including events, drills and exercises in the region, and participation and coordination with the NCR's regional governance structure and Regional Emergency Support functions.

Examples of Multi-jurisdictional Interagency Coordination Activities

Strategic Planning and Coordination
Among others, NCRC initiated and is shepherding the development and implementation of the NCR Strategic Plan, the first regional strategic planning effort in the Nation. The NCR Strategic Plan establishes coordinated regional goals and priorities for the enhancement of homeland security and first responder capabilities in the NCR. It guides and integrates efficient spending of homeland

security grant and budget dollars throughout the NCR. Moreover, it drives many of the activities of NCRC and our homeland security partners.

Integration and Interoperability Program
NCRC will continue efforts started in 2006 (with the addition of one new senior coordinator FTE) to ensure integration and interoperability between key federal, state, regional and local authorities and stakeholders. The focus of NCRC and its homeland security partners will be (1) situational awareness and collaboration, and (2) identity management processes. In addition to modest contractor support, NCRC is leveraging technical expertise from the DHS Preparedness Directorate CIO to address five components in particular, working with the region's Interoperability Committee, the HSOC and other appropriate stakeholders.

Federal Protective Measures Coordination
The uniquely large presence of the Federal Government in the (NCR) makes the coordination and exercising of protective measures in advance of an incident especially important, as past incidents have demonstrated. In 2007 NCRC will initiate a more sustained effort with selected federal agencies (e.g., Secret Service, FBI, Capital Police) to identify protective measures in place throughout the federal community and their impact on the NCR.

Information Sharing Protocols and Alert Notification Coordination
The March 2005 Anthrax scare and the May 2005 airplane incursion, which resulted in the evacuation of the While House and Congress, illustrate the negative consequences that can occur when protocols and alert notifications are not adequately coordinated in advance. In 2007, with the addition of two new positions, NCRC will coordinate with appropriate federal, state, regional and local entities (including DHS' HSOC, Chief Medical Office and Domestic Nuclear Detection Office) to implement national policy guidance in the NCR, and to address gaps regarding NCR protocols and alert notification procedures. Emerging trends for 2007 include avian influenza and CBRN; both are anticipated to be labor-intensive efforts.

Examples of Daily NCRC Responsibilities

Events, Exercises and Drills
NCRC is called upon to help prepare for, coordinate, lead and/or participate in several dozen events, exercises and drills of mass scale each year, including changes in alert status (e.g., Yellow to Orange), state funerals, Nationally Significant Security Events (NSSEs), July 4th Celebrations, demonstrations (e.g. IMF/World Bank) and actual incidents and resulting after action reviews (e.g., March 2005 Pentagon/Skyline anthrax scare). This labor-intensive responsibility requires the involvement of everyone on NCRC's staff.

Regional Governance Participation and Coordination
The NCRC Director represents DHS and/or DHS Secretary on various regional decision-making bodies and committees, including the Senior Policy Group (SPG), the senior homeland security decision-making body in the NCR.

The Director, NRCR, also represents DHS to the Metropolitan Washington Council of Governments and its related committees, including the NCR Emergency Preparedness Committee (private and nonprofit sectors); the Chief Administrative Officers Committee; and, the Region's various Emergency Support Functions (R-ESFs), among many others.

Regional Emergency Support Function Coordination
NCRC is the federal homeland security portal to the Region's Emergency Support Functions (R-ESFs). Per the National Response Plan, R-ESFs include 15 communities (e.g., transportation; law enforcement; fire, emergency response services and hazardous materials; emergency management; medical and public health). Each R-ESF has dozens of stakeholders.

Coordination of Federal Activities in the NCR
The NCRC Director chairs the Joint Federal Committee, an important means to develop, coordinate and implement inter-agency/departmental activities and plans in the NCR, and participates in numerous other federal decision-making and advisory bodies to bolster coordination of federal activities in the NCR. Additionally, the NCR is an ideal test bed and, in 2007, NCRC anticipates increased pilot programs to test national ideas and initiatives. NCRC will endeavor to ensure that homeland security pilot programs are adequately coordinated in advance and, where possible, integrated with the plans and operations of affected state, regional and local stakeholders. NCRC will direct a portion of the program funding from the NPIP to expand assemble a sound knowledge base from which the rest of the Directorate can improve coordination methods and processes. A portion of this funding will go toward a core component of improving preparedness -- a system for documenting lessons-learned and maintaining the focus to follow-through to correct systemic inadequacies. The unique nature of the NCR and its responsibilities position this office to assist regions nationwide.

Selected FY 2005 Accomplishments
- Assisted regional, state and local partners in building a regional governance structure for homeland security. Represented the DHS Secretary as a principal member of this governance structure.
- Developed resource-sharing protocols to permit state, local and regional authorities to leverage scarce resources, e.g., established regional caches of radiation detection equipment and radios in lieu of every jurisdiction using scarce resources to purchase such equipment.
- Initiated and developed a strategic plan for the National Capital Region to align and integrate policies, programs and activities, working collaboratively with federal, state, local and regional partners from government, the private sector and nonprofit organizations.
- Began development and coordination of the NCR First Responder Partnership Initiative to provide first responders from multiple jurisdictions with standardized identity management processes and access cards that will enable electronic identity authentication during an emergency incident. NCRC leveraged resources from the Department of Defense, Department of Homeland Security, Department of the Interior, and Veteran's Affairs; NCR state, regional and local leaders committed Urban Area Security Initiative Grants for their portion.
- Coordinated and facilitated various federal initiatives (e.g., DC Rail Corridor Project, National Response Plan and National Incident Management System roll out, Operation Protect).
- Led, coordinated and/or participated in nearly two dozen events and drills, in addition to numerous exercises, including state funerals, the WWII Memorial Dedication, the Presidential Inauguration, the July 4th celebration, the IMF/World Bank Protests, various threat level increases, and the Anthrax Incident resulting in a hot wash, and other mitigation efforts.

Selected FY 2006 Accomplishments

- Began implementation of the NCR Strategic Plan, defining and implementing specific tasks to meet the plan's 4 overall goals and 14 initiatives, and conducted gap analysis on which to base FY2007 efforts.
- Initiated the Integration and Interoperability Program activities (in addition to First Responder Partnership Initiative); partnered with NCR stakeholders to conduct an information technology inventory and gap analysis, establish routine secure communications checks between key NCR stakeholders, and conduct quarterly communications exercises.
- Coordinated with selected federal agencies/departments in the NCR to lay the groundwork for a protective measures coordination project in FY 2007.
- Coordinated with selected federal, state, regional and local offices to identify areas (other than anthrax and airplane incursions) that require coordination of information sharing protocols and alert notifications. Avian flu and CBRN were identified as priorities.
- Led, coordinated and/or participated in planning, preparation, response, and after action reviews for several dozen events, drills and exercises.
- Worked with state and local partners to implement initiatives such as EMap.
- Worked with state, regional and local partners to align the existing Regional Emergency Coordination Plan (RECP) and other regional plans with the new National Response Plan.
- Increased coordination with key Regional Emergency Support Function (ESF) committees, with addition of new FTE (2), participating in weekly law enforcement and other R-ESF meetings.

Selected FY 2007 Planned Accomplishments

- NCRC and its homeland security partners will refresh the NCR Strategic Planning Process and implement specific tasks to fulfill goals and initiatives in the plan and to address gaps identified in FY 2006. Homeland Security strategic planning will be refreshed periodically thereafter.
- The NCR will have an operable, secure, communications network using STE, secure cell phones, and secure video teleconferencing between DHS, its federal partners, and state and local jurisdictions and regional authorities.
- Integration will be achieved between the DHS HSIN and the NCR's Web-based Emergency Operations Center Network (WEBEOC).
- A fully functional First Responder Partnership Initiative access card will be fielded (limited basis) to achieve physical and local access.
- NCRC's Federal Protective Measures Coordination Project will track the implementation status of protective measures at selected key federal agencies and begin tabletop exercises with state, regional and local partners to identify synergies, conflicts, unintended consequences and best solution options. This effort will, in FY 2008, include more participants and culminate in draft recommendations. Depending on the scope of recommendations, formal coordination activities may continue into the out-years with the concurrence of the Secretary and the state and local authorities.
- NCRC will coordinate and ensure NCR implementation of anticipated national policy guidance on avian influenza and/or biological agents generally from the DHS Chief Medical Officer (and federal counterparts), along with associated information sharing protocols and alert notifications.
- NCRC will lead, coordinate and/or participate in events/drills planning, preparation, participation/response, and after actions for several dozen events and exercises.

- NCRC will submit an annual report to Congress identifying needed NCR homeland security resources and progress status as directed by the Homeland Security Act of 2002.
- NCRC will provide ongoing coordination for the RECP and other regional plans with the new National Response Plan. This is a key annual function/need for the NCR.

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Program Performance Justification
(Dollars in thousands)

PPA: Chief Medical Officer

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Revised Enacted	**10**	**10**	**$1,980**
2007 Adjustments-to-Base	...	...	...
2007 Current Services	**10**	**10**	**$1,980**
2007 Program Change	10	5	3,000
2007 Request	**20**	**15**	**$4,980**
Total Change 2006-2007	10	5	3,000

* CMO is a new activity in FY 2006.

CMO requests $4,980,000 for its activities, which reflects a $3,000,000 increase over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
The CMO is the Secretary's principal advisor on medical issues, serves as the Department's primary point of contact for external entities on medical preparedness issues, and ensures internal and external coordination of all medical preparedness activities to prevent and mitigate biologically based attacks on human health or on our food supply. CMO will fully engage with state and local authorities, associations of medical professionals, and other stakeholders that deal with medical consequences of natural disasters or terrorist attack.

Additionally, CMO is responsible for discharging the Department's responsibilities for Project BioShield. The primary goal of the Office is to improve the medical community's knowledge base of public health needs, and in particular, the Federal government's medical response to terrorist or biological attacks, pandemic and natural disasters

FY 2006 ACCOMPLISHMENTS:
Appointment of Dr. Jeffrey W. Runge, Chief Medical Officer in September 2005, initiated the beginning phase of a centralized medical structure to coordinate medical preparedness activities inside DHS or with other Departments in the Administration

Establish the CMO Organizational Infrastructure
- Recruit and hire CMO support staff that is exceptionally qualified and effective.

Integrate and Leverage Medical Assets for Effective Planning and Response
- Establish the Integrated Medical Readiness Network (IMRN). The IMRN will document and support the working relationships that will allow greater coordination and preparation with the key medical organizations representing stakeholders such as physicians, nurses, emergency

medical professionals, ambulance drivers, licensing boards, as well as state and local governments.

Increase the Nation's Resilience to Biological Incidents

- Oversee the Department's responsibilities for Project BioShield.
- Prepare for the likelihood of an avian influenza pandemic through coordination with the Department of Health and Human Services (HHS), the U.S. Department of Agriculture, the National Capital Region Coordinator, and the Homeland Security Council to plan for the government's response to contain this disease and protect our Nation's critical infrastructure.

FY 2007 PLANNED ACCOMPLISHMENTS:

- Work in concert with the DHS Science and Technology to bring cutting-edge science, technology, and intelligence to bear on the Department's policy-making.
- Build strong interdepartmental alliances and integrate various knowledge bases with DoD, HHS and the intelligence community vital to preparedness, operations and response, and mission support functions for threat-based programs and countermeasures.
- Develop policy driven initiatives to ensure that the Nation and its critical infrastructures are medically prepared for catastrophic events,
- Garner best practices, set agenda and establish priorities for the Integrated Medical Readiness Network (IMRN) to enable providing advice that is data driven and scientifically based.
- Improve communication systems by addressing command and control issues such as dissemination of medical information using methodologies such as electronic message traffic, response reporting, local, state and Federal database integration and industry conferences/summits.
- Coordinate medical intelligence and surveillance activities of the Department.
- Develop strategy to ensure medical assets are aligned to support operations and response functions when catastrophic events arise.
- Coordinate medical intelligence and surveillance activities of the Department
- Establish doctrine and priorities for the National Disaster Medical System (NDMS), consistent with NIMS and the NRP, and ensure NDMS mission readiness;
- Coordinate with other Department organizational elements on their medical preparedness activities to provide technical guidance and direction; such activities include, but are not limited to, Noble Training Center, National Bio-Surveillance Information System (NBIS), and the Metropolitan Medical Response System (MMRS) program.

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Program Performance Justification
(Dollars in thousands)

PPA: National Preparedness Integration Program

	Perm Pos	FTE	Amount
2005 Actual	...	...	...
2006 Enacted	...	...	...
2007 Adjustments-to-Base	...	...	...
2007 Current Services	...	...	...
2007 Program Change	28	14	50,000
2007 Request	**28**	**14**	**$50,000**
Total Change 2006-2007	28	14	50,000

* National Preparedness Integration Program is a new activity in FY 2007.

The Preparedness Directorate requests $50,000,000 for the new National Preparedness Integration Program.

CURRENT SERVICES PROGRAM DESCRIPTION:
The National Preparedness Integration Program is an enhancement in FY 2007.

FY 2007 PLANNED ACCOMPLISHMENTS:
The National Preparedness Integration Program (NPIP) will improve our Nation's disaster preparedness planning, which will improve future response and mitigation outcomes through the following actions:

1. **Improving federal, state, and local governments' ability to plan, prepare and work together through:**
   a. **Assistance to State and Local Government –**
      i. Provide direct technical assistance to state and local governments to improve catastrophic planning development, implementation, monitoring, and reporting.

      ii. Expand the *Strategic Planning for Catastrophic Emergencies* course (joint DHS/DoD) to ensure common understanding and operational actions in times of crisis.

      iii. Provide coordination assistance and technical expertise for regional command and control, and communication enhancements.

      iv. Initiate activities to define criteria for locally based knowledge management. This will initially include specifications for a locally established and maintained data set for crisis/knowledge management. These specifications are envisioned to be designed for compatibility and to assist in local management of command and control, mass casualty management, medical

response capabilities and emergency communications issues. This program will complement the Homeland Security Information Network in that it will concentrate in defining a baseline set of recommended content, and will rely on existing systems to move the data from one point to the other.

b. Federal, State and Local Integration

i. Augment the National Preparedness Assessment and Reporting system including system development and establishment of the management processes. Establish a dedicated program executive staff to oversee contractual efforts, support readiness management processes, and compile required readiness reports.

ii. Identify and support DHS core planning and liaison personnel who provide resources and expertise dedicated to a specific region. Federal Preparedness Coordinators (FPC) positions were established in FY 2006. FPCs are assigned from the spectrum of DHS components and are located throughout the country, which provides the institutional knowledge and experience to reach-back and outward to multiple entities within DHS. These FPCs will support national emergency planning and preparedness through stronger focus on comprehensive regional, state, and local jurisdictions planning and preparedness. In FY 2007, this cadre of personnel will:

1. Recommend methods to ensure preparedness and response is interoperable with contiguous localities and is scaleable to each likely incident.
2. Develop information sharing initiatives and strategic partnerships between locally based DHS and other Federal officials, as well as key state, local and private sector stakeholders.
3. Coordinate resource and operational planning in preparation for incident response.

Coordinate planning for, and participate in, local, regional, and national-level homeland security exercises and drills.

iii. Support pilot programs in the National Capital Region and provide reports as to feasibility of using programs in other regions across the Nation. The pilots will coordinate the Federal Protective Issues and Passport programs. These reports will articulate the successes and difficulties of regional coordinating activities and will include recommendations for transferring coordination activities to other regions nationwide.

c. Intra-Federal Coordination. Initiate activities and joint task force to evaluate and recommend sustainable improvements in coordinating preparedness activities in conjunction with DHS operational entities and personnel. This task force will work in close coordination with the Department's operational elements, other Federal departments and agencies, and in consultation with state and local governments for development of a shared operational planning system. This project capitalizes on the current nationwide emergency plans review directed by the President and Congress, the planning priority in the National Preparedness Goal, the lessons of Hurricanes Katrina and Rita, and previous proposals within DHS to develop an integrated planning process.

2. **Leading change allowing the communication systems of first responder and emergency management communities to work together.** Includes an in-depth review and enhancement of the Emergency support function (ESF #2) mission; development of new operational guidance; enhancement of computer-based modeling and analytical assessment capabilities; expand test and evaluation of evolving -- as well as COTS -- communications technologies; and development of a strategy to acquire rapidly deployable communications assets.

3. **Creating Opportunities that Foster Collaborative Innovation and Best Practice Outcomes.** Assess and identify best practices and innovation implemented at all levels of government and first responders. Identify successful strategies and define methods to transfer the best ideas to other regions where they might be applicable.

4. **Identifying, assessing, evaluating, and developing risk based-earned value preparedness plans which will strategically allocate and position limited assets and resources;**
   a. Analyze catastrophic planning gaps and identify requirements shortfalls. Define capability structure that serves as the basis for grant guidance.
   b. Evaluate all hazard preparedness planning for the most vulnerable segment of the population. FY 2007 activities to include a baseline definition and initial segment evaluation.
   c. Initiate actions to define gaps, actions, and difficulties on federal and regional efforts to strengthen medical surge and mass prophylaxis capabilities.

IV. Program Justification of Changes

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: **Acquisition Personnel**

Strategic Goal(s) & Objective(s): Protection 3.7
PPA: Office of the Under Secretary (OUS)

Program Increase: Positions 2 FTE 1 Dollars $150

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							70	70	14,718
Program Increase							2	1	150
Total Request	-	-	-	**70**	**70**	**$13,055**	**72**	**71**	**$14,868**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

Description of Item
This items funds two additional positions, one FTE, to support the Department's objective of increasing the number of contracts that are released for full and open competition.

Justification
Existing staffing level is not sufficient to process competitive solicitations in a timely manner. The process includes time-intensive activities such as definition of performance requirements, selection criteria, multiple proposal review, documentation requirements, and attending source-selection-coordination meetings. The two additional positions (1 FTE) will provide additional staff to assist in the definition of requirements, documentation of selection criteria, and ensure proposals are reviewed and contracts issued in time to meet operational requirements. The additional personnel will provide the expertise and resources to complete the expected increase in acquisition volume in FY 2007.

Impact on Performance (Relationship of Increase to Strategic Goals)
This funding will allow the Directorate to build internal expertise and an expanded contractor base to improve the Nation's preparedness and protection posture.

Program Increase 2: **Department-wide Internal Controls Audit**

Strategic Goal(s) & Objective(s): Organizational Excellence 7.0
PPA: Office of the Under Secretary

Program Increase: Positions 0 FTE 0 Dollars $1,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									---
Program Increase									1,000
Total Request									**$1,000**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

Description of Item
An internal controls audit is an unfunded legal requirement. Public Law 108-330, The Department of Homeland Security Financial Accountability Act, directs the Department to perform an annual Performance and Accountability Report (PAR), provide by an audit opinion and the Secretary's assertion of the adequacy of internal controls that apply to financial reporting.

Justification
A sound and reliable internal controls audit will enable the Department to focus on its goal of building, sustaining, and improving the Nation's capability to prevent terrorist attacks in the United States. A clean audit will ensure the public that funds are being used properly and effectively, so that the true mission of the organization is the focus of the Department's efforts.

These requirements for internal control reporting and audit impose significant management challenges and resource demands on the Department and its Components. To comply with the Act the Department's Components must develop documentation, perform test-work, and support remediation efforts to transform legacy internal control structures to an integrated internal control framework

Impact on Performance (Relationship of Increase to Strategic Goals)
The effectiveness of the Department's mission is bound to the quality, reliability, accuracy, and accountability of its ability in leading and managing resources. Internal controls are proven methods of assuring good stewardship of public funds.

Program Increase 3: **Office of the National Capital Region Coordination**

Strategic Goal(s) & Objective(s): Protection – 3.7

PPA: NCRC

Program Increase: Positions 2 FTE 1 Dollars $1,108

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							5	5	883
Program Increase							2	1	1,108
Total Request		**[3]**	**[$609]**	**5**	**5**	**$883**	**7**	**6**	**$1,991**

* The Preparedness Directorate did not exist prior to FY 2006. Please see the Office of the Secretary and Executive Management section of the Budget for FY2005 Actuals.

Description of Item
Funding is requested for two new positions (1 FTE) and an additional $1,108,000 to support coordination in the National Capitol Region.

Justification
The additional resources are required to maintain coordination with the multiple and varied stakeholders in the NCR. Stakeholder activities, plans, and requirements are increasing and additional resources are required to enhance and maintain the ability of the NCRC to coordinate activities critical to the security of the region. This additional funding will support coordination of NCR protective measures and provide a more robust Strategic Plan implementation for the region.

The uniquely large presence of the Federal government in the NCR makes the coordination and exercising of protective measures in advance of an incident especially important. In 2007, with the addition of two senior coordinators and modest contractor facilitation support, NCRC will initiate a more sustained effort with selected federal agencies (e.g., Secret Service, FBI, Capital Police) to begin identifying protective measures in place throughout the federal community and their impact on the NCR. Ultimately, this group will prepare recommendations by 2008 for common best practices, methodologies, contingency plans, public messaging and the related issues. Tabletop exercises that include state and local stakeholders (public and private sector) will be used as one tool.

In 2007, the Strategic Planning process will be "refreshed" to address the results of the 2006 gap analysis and 2006 implementation "lessons learned." In 2006, implementation efforts focused on the NCR Strategic Plan's four overall goals and fourteen major initiatives. In 2007, implementation of the NCR Strategic Plan's sub-initiatives will begin; the NCR's detailed approach ensures practical results.

Impact on Performance (Relationship of Increase to Strategic Goals)
This increase will allow Preparedness to build and coordinate contingency plans with the stakeholders in order to improve regional preparedness and response posture.

Program Increase 4: **Chief Medical Officer**

Strategic Goal(s) & Objective(s): Protection – 3.7
PPA: CMO

Program Increase: Positions 10 FTE 5 Dollars $3,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							10	10	1,980
Program Increase							10	5	3,000
Total Request				**10**	**10**	**$1,980**	**20**	**15**	**$4,980**

* CMO is a new activity in FY 2006.

Description of Item
This item requests additional funds for ten additional positions, five FTE, and an additional $3,000,000 to support the Chief Medical Officer.

Justification
The additional funding will allow the CMO to expand DHS activities to accomplish the following responsibilities:

- Coordinate medical intelligence and surveillance activities of the Department.
- Ensure internal and external coordination of all medical preparedness activities to prevent and mitigate biologically based attacks on human health or on our food supply.
- Expand the areas to establish doctrine and priorities for the National Disaster Medical system (NDMS), consistent with NIMS and the National Response Plan, and ensure NDMS mission readiness.

Impact on Performance (Relationship of Increase to Strategic Goals)
This increase will allow the CMO to expand the build and coordinate contingency plans with the stakeholders in order to improve regional preparedness and response posture.

Program Increase 5: **National Preparedness Integration Program (NPIP)**

Strategic Goal(s) & Objective(s): Protection – 3.7
PPA: NPIP

Program Increase: Positions 28 FTE 14 Dollars $50,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									
Program Increase							28	14	50,000
Total Request							**28**	**14**	**$50,000**

* The Preparedness Directorate did not exist prior to FY 2006. NPIP is a new activity in FY 2007.

Description of Item:
Requested NPIP funding is $50,000,000 for support 14 FTE (28 positions) and nationwide preparedness planning improvements, which will strengthen the National preparedness posture through: 1) catastrophic planning, 2) alignment of command and control functions, 3) emergency communications systems, 4) medical preparedness, and 5) identification, fostering and knowledge sharing of innovative planning, response, or coordination methods for preparedness nation-wide. ..

Catastrophic Planning - activities will improve emergency planning by 1) developing a shared contingency planning system, 2) conditioning grant funding to ensure states and urban areas comply with the nationwide plan review and grant compliance monitoring to ensure corrective actions are taken, 3) providing guidance and technical assistance for resource planning, operational planning, and exercise planning and coordination. These activities will be supported by cross- functional teams that include technical experts, trainers, infrastructure specialists, operational personnel, and preparedness coordinators. These teams will effectively provide disciplines, expertise, and knowledge resources necessary to address our National priority of developing regional catastrophe planning.

Command and Control Alignment activities – will be accomplished in conjunction with DHS operational elements, other federal agencies as appropriate, and in coordination with state and local government and first responders. The three components to this project include: 1) an Intra-Federal Preparedness Coordination Task Force; 2) technical assistance to state, local and regional entities; and 3) Federal, state, and local integration activities. For example, as part of NPIP, Federal Preparedness Coordinators (FPCs) will work to build and maintain positive relationships with the identified partners, coordinate exercises, and support situational awareness and information sharing initiatives to ensure that proper command and control alignment can be achieved quickly in the event of an incident. This will contribute to improved alignment during incident response and recovery operations.

Communications Systems - In order to improve ESF #2 response to national emergencies, the National Communications System proposes to enhance its capabilities to conduct predictive assessments, and improve coordinated response and recovery operations to protect and restore the Nation's telecommunications resources after a catastrophic Incident of National Significance and

national emergencies. The task to overhaul the ESF #2 operation will involve a multi-faceted approach:

- Review and revise policy, procedures, operational instructions, and standard operational plans
- Develop and execute an enhanced training and exercise program that integrates the knowledge, skills and resources of the ESF #2 Support Agencies
- Identify, catalogue, acquire, operate, and maintain portable or transportable communications systems for emergency deployment.

Medical Preparedness - The Chief Medical Officer, working cooperatively with the Secretary of Health and Human Services, as well as with state and local government personnel and first responders, will guide the Department's medical preparedness activities. These activities will include efforts to improve medical surge capacity and further develop a global medical preparedness knowledge base. The CMO will also continue the development of scientifically derived, evidence based medicine-driven policy initiatives to ensure that the Nation and its critical infrastructures are medically prepared for catastrophic events, particularly those with medical consequences. The CMO will fully engage with state and local authorities, associations of medical professionals, and other stakeholders that are involved with medical consequence management following a natural disaster or terrorist attack.

Best Practices and Innovation – Provide opportunities to identify and share innovative ideas and best practices in order to augment the knowledge base of federal, state and local government and first responders nationwide. These activities will allow the Preparedness Directorate to identify successful strategies and define methods to transfer the best ideas to other regions where they might be applicable. One of the mechanisms for identifying such best practices and innovation will be the FPCs who, as locally based federal officials, will be positioned to identify and share innovative state and urban area preparedness across the country and to DHS headquarters.

Justification

National Preparedness Integration Program is a Department-wide effort to synchronize and publicize government, private sector, and citizen preparedness goals, plans and processes in advance of disaster. This includes specific efforts to align federal, state, and local command and control processes; improve catastrophic planning efforts for our most vulnerable citizens – children, the elderly, and those with special needs; enhance communication systems available in an emergency; harmonize medical coordination across all levels of government and provider systems; and encourage and implement innovative ideas and methods for preparedness.

Strengthening emergency operations is a national priority, which includes planning and citizen protection capabilities through a comprehensive national planning review and establishing a shared contingency planning process for the federal and state and local governments.

This national priority focuses on the Planning, Citizen Protection, and Mass Care capabilities from the Target Capabilities List (TCL). Hurricane Katrina demonstrated the need for renewed emphasis on the currency and quality of emergency operations plans. President Bush highlighted this requirement in a recent address to the Nation when he identified emergency planning as a *national security priority*. The Nation's homeland security system is a complex set of interdependent relationships through and among government sectors, organized to achieve the mission of preparing the public, protecting them, and responding, and mitigating disasters incidents. Planning is a methodical and logical way to think through potential crises beginning with recognizing a problem, developing a solution, and preparing to

execute the plan. A good plan repays the investment of time and effort in its development and rehearsal by shortening the time required to gain control over an incident, and by providing an environment and favorable conditions for rapid and effective exchange of information about a situation, its analysis and alternative responses. If roles, responsibilities, tasks and resources can be delineated before an incident, uncertainty is reduced, which leads to higher confidence and competence among responders. This is the key to success in protecting people and property in crises.

The President and Congress have directed a comprehensive national review of catastrophic planning, including planning for mass evacuation. This effort will include analysis and reporting by the Federal and state and local governments of the status of their plans, and their efforts to strengthen the planning-training-exercising-evaluation cycle. The intent of this review is to identify and undertake actions to update and test plans prior to the 2006 hurricane season. While planning applies to all capabilities identified in the TCL, three capabilities are central to addressing this national priority: "Planning," "Mass Care (Sheltering, Feeding, and Related Services)," and "Citizen Protection: Evacuation and/or In Place Protection." The national review is an initial step in establishing a shared contingency planning process to develop sound plans that describe in detail how the Federal and state and local governments will jointly accomplish their respective missions and apply the full range of capabilities at their disposal to achieve overall national objectives.

This initiative capitalizes on the current nationwide emergency plans review directed by the President and Congress, the planning priority in the National Preparedness Goal, the lessons of Hurricanes Katrina and Rita, and previous proposals within DHS to develop an integrated planning process.

The planning system develops plans to employ capabilities and identifies requirement shortfalls. The Directorate requires a mechanism, linked to the outputs of the planning system, to conduct capability requirements analysis/generation to define, document, validate and approve requirements for both PPBE submission and inclusion in grant guidance. This system would analyze and adjust requirements based on fiscal guidance to arrive at a capability program structure that serves as the basis for budget requests and grant guidance.

Improved Communications Emergency Support. The 2005 hurricane season created catastrophic destruction of the communications infrastructure across the Gulf Coast Region of the United States. The magnitude of damage and the resulting challenges for restoration of the region's communications services and other vital infrastructure eclipsed all previous operational experience and procedures. The current *National Response Plan*, which replaced the former *Federal Response Plan*, did not provide sufficient guidance or authority to support the expeditious coordination and application of government and commercial resources to meet the identified communications needs. ESF #2 organizational guidelines and procedures that had been developed and refined through years of experience with national emergencies were frequently ignored by many ESF 2 responders as too restrictive, unresponsive, or counterproductive when applied to the intensified demands and politically-charged conditions that were created in the Gulf States Region. This program provides resources to address these issues.

Impact on Performance (Relationship of Increase to Strategic Goals)
This increase will allow the Preparedness Directorate to strengthen the integrity and resiliency of the Nation's Preparedness posture. This aligns to the DHS strategic goal of protection.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Preparedness Directorate
Justification of Proposed Changes in Office of the Under Secretary Preparedness
Appropriation Language

For salaries and expenses of the Office of the Under Secretary for Preparedness, the Office of the Chief Medical Officer, and the Office of National Capital Region Coordination, [$16,079,000] ***$74,468,000, of which $50,000,000 is for the National Preparedness Integration Program.*** Provided, that not to exceed $7,000 shall be for official reception and representation expenses.

Explanation of Changes:

The National Preparedness Integration Program is a new initiative and is added to the language.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE		Amount
2005 Actual *	---	---	$	-
2006 Revised Enacted	**85**	**85**	$	**15,918**
Adjustments-to-Base				
Transfers to and from other accounts:				
ready.gov	---	---	$	1,629
Total Transfers	---	---	$	1,629
Increases				
Annualization of prior year part year funding	---	---	$	-
Annualization of 2006 pay raise	---	---	$	-
2007 pay increase	---	---	$	202
GSA Rent	---	---	$	16
Non-pay inflation excluding GSA Rent	---	---	$	1,445
Total Increases	---	---	$	1,663
Decreases				
Termination of one-time costs	---	---	$	-
Management and Technology Efficiencies	---	---	$	-
Total Decreases	---	---	$	-
Total Adjustments-to-Base	---	---	$	**3,292**
2007 Current Services	**85**	**85**	$	**19,210**
Program Changes				
Program Increases/(Decreases)				
Office of the Under Secretary (OUS)	2	1	$	1,150
Office of National Capital Region Coordination (NCRC)	2	1	$	1,108
Chief Medical Officer (CMO)	10	5	$	3,000
National Preparedness Integration Program (NPIP)	28	14	$	50,000
Total Program Changes	**42**	**21**	$	**55,258**
2007 Request	**127**	**106**	$	**74,468**
2006 to 2007 Total Change	**42**	**21**	$	**58,550**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, OSLGCP, and the OSEM section for NCRC.

C. Summary of Requirements

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual*	---	---	**$0**
2006 Revised Enacted	**85**	**85**	**15,918**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	1,629
Increases	---	---	1,663
Decreases	---	---	---
Total Adjustments-to-Base	---	---	3,292
2007 Current Services	**85**	**85**	**19,210**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	42	21	55,258
2007 Total Request	**127**	**106**	**74,468**
2006 to 2007 Total Change	42	21	58,550

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Office of the Under Secretary (OUS)	70	70	$13,055	---	---	$3,292	2	1	$1,150	72	71	17,497	2	1	4,442
3 Office of National Capital Region Coordination (NCRC)	5	5	883	---	---	$0	2	1	$1,108	7	6	1,991	2	1	1,108
4 Chief Medical Officer (CMO)	10	10	1,980	---	---	$0	10	5	$3,000	20	15	4,980	10	5	3,000
5 National Preparedness Integration Program (NPIP)	---	---	---	---	---	$0	28	14	$50,000	28	14	50,000	28	14	50,000
Total	**85**	**85**	**$15,918**	**---**	**---**	**$3,292**	**42**	**21**	**$55,258**	**127**	**106**	**$74,468**	**42**	**21**	**$58,550**

Note:

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, OSLGCP, and the OSEM section for NCRC.

D. Summary of Reimbursable Resources

Not Applicable. There are no reimbursable resources requested for this Appropriation.

E. Summary of Requirements by Object Class

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual*	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation		$ 7,593	$ 10,847	$ 3,252
11.3 Other than full-time permanent		$ -	$ -	$ -
11.5 Other Personnel Compensation		$ 228	$ 325	$ 98
11.8 Special Service Pay		$ -	$ -	$ -
12.1 Benefits		$ 2,527	$ 3,281	$ 755
13.0 Benefits - former		$ -	$ -	$ -
Total, Personnel Comp. & Benefits	**$0**	**$ 10,348**	**$ 14,453**	**$ 4,105**
Other Object Classes:				
21.0 Travel		$ 35	$ 688	$ 654
22.0 Transportation of things		$ -	$ -	$ -
23.1 GSA rent		$ 382	$ 398	$ 16
23.2 Other rent		$ -	$ -	$ -
23.3 Communications, utilities, & other misc. charges		$ 129	$ 562	$ 433
24.0 Printing and reproduction		$ -	$ -	$ -
25.1 Advisory and assistance services		$ 4,615	$ 31,391	$ 26,775
25.2 Other services		$ 164	$ 3,796	$ 3,631
25.3 Purchases of goods & svcs. from Gov't accounts		$ 241	$ 12,559	$ 12,318
25.4 Operation & maintenance of facilities		$ -	$ -	$ -
25.5 Research and development contracts		$ -	$ -	$ -
25.6 Medical care		$ -	$ 7	$ 7
25.7 Operation and maintenance of equipment		$ -	$ 3,000	$ 3,000
25.8 Subsistence and support of persons		$ -	$ -	$ -
26.0 Supplies and materials		$ 4	$ 322	$ 319
31.0 Equipment		$ -	$ 292	$ 292
32.0 Land & structures		$ -	$ -	$ -
41.0 Grants/Subsidies/Contributions		$ -	$ 8,000	$ 8,000
42.0 Indemnity		$ -	$ -	$ -
43.0 Interest & dividends		$ -	$ -	$ -
44.0 Refunds		$ -	$ -	$ -
91.0 Unvouchered		$ -	$ -	$ -
99.0 Other		$ -	$ -	$ -
Total, Other Object Classes	**$0**	**$ 5,570**	**$ 61,015**	**$ 55,445**
Total, Direct Obligations	**$0**	**$ 15,918**	**$ 75,468**	**$ 59,550**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, OSLGCP, and the OSEM section for NCRC.

F. Permanent Positions by Grade

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual* Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES		5	5	---
Total, EX		2	2	---
GS-15		27	38	11
GS-14		23	39	16
GS-13		13	20	7
GS-12		4	5	1
GS-11		4	9	5
GS-10		---	---	---
GS-9		4	6	2
GS-8		1	1	---
GS-7		---	---	---
GS-6		1	1	---
GS-5		1	1	---
GS-4		---	---	---
GS-3		---	---	---
GS-2		---	---	---
Other Graded Positions		---	---	---
Ungraded Positions		---	---	---
Total Permanent Positions	---	**85**	**127**	**42**
Unfilled Positions EOY		---	---	---
Total Perm. Employment EOY		85	127	42
FTE	---	**85**	**106**	**21**
Headquarters		85	127	42
U.S. Field		---	---	---
Foreign Field		---	---	---
Total Permanent Positions	---	**85**	**127**	**42**
Average ES Salary		$ 140,118	$ 143,761	$ 3,643
Average GS Salary		$ 130,574	$ 133,969	$ 3,395
Average GS Grade		14.32	14.80	0.48

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, OSLGCP, and the OSEM section for NCRC.

G. Capital Investment and Construction Initiative Listing

PREPAREDNESS DIRECTORATE
OFFICE OF THE UNDER SECRETARY PREPAREDNESS

Not applicable to this appropriation.

H. PPA Budget Justifications

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Office of the Under Secretary (OUS)
Funding Schedule

(Dollars in Thousands)

PPA: Office of the Under Secretary (OUS)		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions		$ 6,417	$ 7,051	$ 635
11.3	Other than perm		$ -	$ -	$ -
11.5	Other per comp		$ 192	$ 212	$ 19
11.8	Spec Srvc Pay		$ -	$ -	$ -
12.1	Benefits		$ 2,135	$ 2,318	$ 183
13.0	Benefits-former		$ -	$ -	$ -
21.0	Travel		$ 29	$ 31	$ 3
22.0	Transportation of things		$ -	$ -	$ -
23.1	GSA rent		$ 382	$ 398	$ 16
23.2	Other rent		$ -	$ -	$ -
23.3	Communication, Utilities, and misc. ch		$ 106	$ 124	$ 18
24.0	Printing		$ -	$ -	$ -
25.1	Advisory & Assistance Services		$ 3,785	$ 6,320	$ 2,535
25.2	Other Services		$ 3	$ 15	$ 12
25.3	Purchase from Govt. Accts.		$ 8	$ 1,016	$ 1,009
25.4	Operation & maintenance of facilities		$ -	$ -	$ -
25.5	Research & Development		$ -	$ -	$ -
25.6	Medical care		$ -	$ 0	$ 0
25.7	Operation & maintenance of equipmen		$ -	$ -	$ -
25.8	Subsistence & Support of persons		$ -	$ -	$ -
26.0	Supplies & materials		$ -	$ 2	$ 2
31.0	Equipment		$ -	$ 11	$ 11
32.0	Land & Structures		$ -	$ -	$ -
41.0	Grants/Subsidies/Contributions		$ -	$ -	$ -
42.0	Indemnity		$ -	$ -	$ -
91.0	Unvouchered		$ -	$ -	$ -
Total, OUS		**$0**	**$ 13,055**	**$ 17,497**	**$ 4,442**
Full Time Equivalents			70	71	1

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organization/programs that had a comparable FY 2005 funding level. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

**Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

The Office of the Under Secretary for Preparedness oversees and directs all activities of the Directorate, coordinates preparedness activities throughout the Department, and serves as an advocate for preparedness across all governmental sectors, preparedness stakeholders, and citizens.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$8,744**	**$9,581**	**$837**

The FY 2007 request of $9,580,639 includes Salaries and Benefits costs for the 70 FTE onboard in FY 2006, with a 2.2% pay inflation added to the base salary cost. This cost also funds costs for 2 additional positions (1FTE) requested in FY 2007, funded at 50% of the total cost.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$29**	**$31**	**$3**

The FY 2007 request of $31,163 is a program increase for OUS's contribution to the Working Capital Fund for travel, which includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$382**	**$398**	**$16**

The FY 2007 request of $397,709 is a program increase for OUS's contribution to the Working Capital Fund for rental payments to GSA for leased space.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$106**	**$124**	**$18**

The FY 2007 request of $124,709 consists of a $18,000 increase for OUS's contribution to the Working Capital Fund for, communications, utilities, and miscellaneous charges.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$3,785**	**$6,320**	**$2,535**

The FY 2007 request of $6,319,530 consists of technical programmatic increases, as well as OUS's contribution to the Working Capital Fund for mission related advisory and assistance services. This request also includes$1,629,000 transfer from the Office of Public Affairs for the Ready.gov program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$3**	**$15**	**$12**

The FY 2007 request of $14,863 consists of OUS's contribution to the Department's Working Capital Fund for other services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$8**	**$1,016**	**$1,009**

The FY 2007 request of $1,016,287M program increases for OUS's contribution to the Working Capital Fund for Purchases from Government Accounts. The FY 2007 request of $1,000,000 consists of a program increase for Internal Audit.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & Materials	**$0**	**$0**	**$2**	**$2**

The FY 2007 request of $1,956 consists OUS's contribution to the Working Capital Fund for supplies and materials.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$0**	**$11**	**$11**

The FY 2007 request of $10,554 consists of OUS's contribution to the Department's Working Capital Fund for equipment.

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
National Capital Region Coordination (NCRC)
Funding Schedule
(Dollars in Thousands)

PPA: National Capital Region Coordination (NCRC)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$ 207	$ 401	$ 661	$ 260
11.3	Other than perm	$ 21	$ -	$ -	$ -
11.5	Other per comp	$ 13	$ 12	$ 20	$ 8
11.8	Spec Srvc Pay		$ -	$ -	$ -
12.1	Benefits	$ 63	$ 134	$ 195	$ 61
13.0	Benefits-former		$ -	$ -	$ -
21.0	Travel	$ 1	$ 2	$ 4	$ 2
22.0	Transportation of things		$ -	$ -	$ -
23.1	GSA rent	$ 5	$ -	$ -	$ -
23.2	Other rent		$ -	$ -	$ -
23.3	Communication, Utililities, and misc charges		$ 7	$ 16	$ 9
24.0	Printing		$ -	$ -	$ -
25.1	Advisory & Assistance Services		$ 45	$ 214	$ 168
25.2	Other Services		$ 161	$ 734	$ 573
25.3	Purchase from Govt. Accts.	$ 296	$ 116	$ 116	$ 0
25.4	Operation & maintenance of facilities		$ -	$ -	$ -
25.5	Research & Development		$ -	$ -	$ -
25.6	Medical care		$ -	$ 0	$ 0
25.7	Operation & maintenance of equipment		$ -	$ -	$ -
25.8	Subsistence & Support of persons		$ -	$ -	$ -
26.0	Supplies & materials	$ 2	$ 4	$ 20	$ 16
31.0	Equipment		$ -	$ 11	$ 11
32.0	Land & Structures		$ -	$ -	$ -
41.0	Grants/Subsidies/Contributions		$ -	$ -	$ -
42.0	Indemnity		$ -	$ -	$ -
91.0	Unvouchered		$ -	$ -	$ -
Total, NCRC		**[$609]**	**$ 883**	**$ 1,991**	**$ 1,108**
Full Time Equivalents		[3]	5	6	1

* The Preparedness Directorate did not exist prior to FY 2006. Please see the Office of the Secretary and Executive Management section of the Budget for FY2005 Actuals.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

The office of National Capital Region Coordination (NCRC) oversees and coordinates federal programs for and relationsips with state, local, and regional authorities in the National Capital Region (NCR).

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$304**	**$547**	**$876**	**$328**

The FY 2007 request of $875,712 includes Salaries and Benefits costs for the 5 FTE onboard in FY 2006, with a 2.2% pay inflation added to the base salary cost. This cost also funds costs for 2 additional positions (1FTE) requested in FY 2007, funded at 50% of the total cost.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$1**	**$2**	**$4**	**$2**

The FY 2007 request of $4,124 is a program increase for NCRC's contribution to the Working Capital Fund for travel, which includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$7**	**$16**	**$9**

The FY 2007 request of $16,281 consists of a $9,000 increase for NCR's contribution to the Working Capital Fund for, communications, utilities, and miscellaneous charges.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$45**	**$214**	**$168**

The FY 2007 request of $213,582 consists of technical programmatic increases, as well as NCRs contribution to the Working Capital Fund ($55,000) for mission related advisory and assistance services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$161**	**$734**	**$573**

The FY 2007 request of $733,995 consists of technical programmatic increases, as well as NCR's contribution to the Department's Working Capital Fund for other services ($11,000).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$296**	**$116**	**$116**	**$0**

The FY 2007 request of $116,473 consists of technical programmatic adjustments, as well as, program increases for NCR's contribution to the Working Capital Fund for Purchases from Government Accounts.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$2**	**$4**	**$20**	**$16**

The FY 2007 request of $20,018 consists of technical programatic adjustments, as well as,NCR's contribution to the Working Capital Fund for supplies and materials.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$0**	**$11**	**$11**

The FY 2007 request of $10,554 consists of NCR's contribtution to the Department's Working Capital Fund for equipment.

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
Chief Medical Officer (CMO)
Funding Schedule
(Dollars in Thousands)

PPA: Chief Medical Officer (CMO)		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions		$ 776	$ 1,712	$ 936
11.3	Other than perm		$ -	$ -	$ -
11.5	Other per comp		$ 23	$ 51	$ 28
11.8	Spec Srvc Pay		$ -	$ -	$ -
12.1	Benefits		$ 259	$ 477	$ 218
13.0	Benefits-former		$ -	$ -	$ -
21.0	Travel		$ 4	$ 18	$ 14
22.0	Transportation of things		$ -	$ -	$ -
23.1	GSA rent		$ -	$ -	$ -
23.2	Other rent		$ -	$ -	$ -
23.3	Communication, Utililities, and misc char		$ 16	$ 47	$ 31
24.0	Printing		$ -	$ -	$ -
25.1	Advisory & Assistance Services		$ 785	$ 1,246	$ 461
25.2	Other Services		$ 0	$ 1,202	$ 1,201
25.3	Purchase from Govt. Accts.		$ 117	$ 136	$ 19
25.4	Operation & maintenance of facilities		$ -	$ -	$ -
25.5	Research & Development		$ -	$ -	$ -
25.6	Medical care		$ -	$ 2	$ 2
25.7	Operation & maintenance of equipment		$ -	$ -	$ -
25.8	Subsistence & Support of persons		$ -	$ -	$ -
26.0	Supplies & materials		$ -	$ 14	$ 14
31.0	Equipment		$ -	$ 76	$ 76
32.0	Land & Structures		$ -	$ -	$ -
41.0	Grants/Subsidies/Contributions		$ -	$ -	$ -
42.0	Indemnity		$ -	$ -	$ -
91.0	Unvouchered		$ -	$ -	$ -
Total, CMO		**$0**	**$1,980**	**$4,980**	**$3,000**
Full Time Equivalents			10	15	5

* CMO is a new activity in FY 2006.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

The CMO ensures internal and external coordination of all medical preparedness activities of the Department, serves as the Secretary's principal advisor on medical issues, and serves as the Department's primary point of contact for external entities on medical preparedness issues.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$1,058**	**$2,240**	**$1,182**

The FY 2007 request of $2,239,645 includes Salaries and Benefits costs for the 10 FTE onboard in FY 2006, with a 2.2% pay inflation added to the base salary cost. This cost also funds costs for 10 additional positions (5 FTE) requested in FY 2007, funded at 50% of the total cost.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$4**	**$18**	**$14**

The FY 2007 request of $17,905 is a program increase for CMO's contribution to the Working Capital Fund for travel, which includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$16**	**$47**	**$31**

The FY 2007 request of $47,394 consists of a $31,000 increase for CMO's contribution to the Working Capital Fund for, communications, utilities, and miscellaneous charges.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$785**	**$1,246**	**$461**

The FY 2007 request of $1,246,173 consists of technical programmatic increases, as well as CMOs contribution to the Working Capital Fund ($125,000) for mission related advisory and assistance services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$0**	**$1,202**	**$1,201**

The FY 2007 request of $1,201,648 consists of technical programmatic increases, as well as CMO's contribution to the Department's Working Capital Fund for other services ($80,000).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$117**	**$136**	**$19**

The FY 2007 request of $135,760 consists program increases for CMO's contribution to the Working Capital Fund for Purchases from Government Accounts.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$0**	**$0**	**$2**	**$2**

The FY 2007 request of $1,867 consists of CMO's contribtution to the Department's Working Capital Fund for medical care.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$0**	**$14**	**$14**

The FY 2007 request of $14,011 consists of CMO's contribution to the Working Capital Fund for supplies and materials.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$0**	**$76**	**$76**

The FY 2007 request of $75,597 consists of CMO's contribtution to the Department's Working Capital Fund for equipment.

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness
National Preparedness Integration Program (NPIP)
Funding Schedule
(Dollars in Thousands)

PPA: National Preparedness Integration Program (NPIP)		2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions			$ 1,422	$ 1,422
11.3	Other than perm			$ -	$ -
11.5	Other per comp			$ 43	$ 43
11.8	Spec Srvc Pay			$ -	$ -
12.1	Benefits			$ 292	$ 292
13.0	Benefits-former			$ -	$ -
21.0	Travel			$ 636	$ 636
22.0	Transportation of things			$ -	$ -
23.1	GSA rent			$ -	$ -
23.2	Other rent			$ -	$ -
23.3	Communication, Utililities, and misc charges			$ 374	$ 374
24.0	Printing			$ -	$ -
25.1	Advisory & Assistance Services			$ 23,611	$ 23,611
25.2	Other Services			$ 1,845	$ 1,845
25.3	Purchase from Govt. Accts.			$ 10,290	$ 10,290
25.4	Operation & maintenance of facilities			$ -	$ -
25.5	Research & Development			$ -	$ -
25.6	Medical care			$ 5	$ 5
25.7	Operation & maintenance of equipment			$ 3,000	$ 3,000
25.8	Subsistence & Support of persons			$ -	$ -
26.0	Supplies & materials			$ 286	$ 286
31.0	Equipment			$ 195	$ 195
32.0	Land & Structures			$ -	$ -
41.0	Grants/Subsidies/Contributions			$ 8,000	$ 8,000
42.0	Indemnity			$ -	$ -
91.0	Unvouchered			$ -	$ -
Total, NPIP		**$0**	**$ -**	**$ 50,000**	**$ 50,000**
Full Time Equivalents				14	14

* National Preparedness Integration Program is a new activity in FY 2007.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

NPIP provides nationwide preparedness planning improvements, which will strengthen the national preparedness posture through: 1) catastrophic planning, 2) alignment of command and control fuction, 3) emergency communications systems, 4) Medical preparedness, and 5) identification, fostering and knowledge sharing of innovative planning, response, or coordination methods.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$0**	**$1,757**	**$1,757**

Salaries and Benefits includes costs for 14 FTEs. The program enhancements are $1,756,892 for FY 2007.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Travel	**$0**	**$0**	**$636**	**$636**

The FY 2007 request of $635,953 is a program increase for travel, which includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$0**	**$0**	**$374**	**$374**

The FY 2007 request of $374,260 consists of technical programmatic increases for NPIP's contribution to the Working Capital Fund for communications, utilities, and miscellaneous charges.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$0**	**$23,611**	**$23,611**

The FY 2007 request of $23,611,329 consists of program enhancements $21,408,000 and a technical programmatic increases for NPIP's contribution to the Working Capital Fund $2,203,329.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$0**	**$1,845**	**$1,845**

The FY 2007 request of $1,845,128 consists of technical programmatic increases, as well as NPIP's contribution to the Department's Working Capital Fund for other services ($216,000)

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$0**	**$10,290**	**$10,290**

The FY 2007 request of $10,290,180 consists of technical programmatic increases, as well as NPIP's contribution to the Working Capital Fund for Purchases from Government Accounts ($290,000)

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Medical Care	**$0**	**$0**	**$5**	**$5**

The FY 2007 request of $4,823 consists of NPIP's contribtution to the Department's Working Capital Fund for medical care.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$0**	**$0**	**$3,000**	**$3,000**

The FY 2007 request for $3,000,000 consists of program enhancements.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$0**	**$286**	**$286**

The FY 2007 request of $286,86 consists of technical programatic increases, as well as NPIP's contribution to the Working Capital Fund for supplies and materials.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$0**	**$195**	**$195**

The FY 2007 request of $195,248 consists of NPIP's contribtution to the Department's Working Capital Fund for equipment.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$0**	**$0**	**$8,000**	**$8,000**

The FY 2007 request of $8,000,000 is for technical assistance and cooperataive agreements.

I. Schedule of Working Capital Fund

Department of Homeland Security
Preparedness Directorate
Office of the Under Secretary Preparedness

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual* AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Office of the Under Secretary (OUS)	$0	$990	$1,025	$34
Office of National Capital Region Coordination (NCRC)	$0	$158	$184	$26
Chief Medical Officer (CMO)	$0	$206	$285	$80
National Preparedness Integration Program (NPIP)	$0	$0	$2,282	$2,282
Total Working Capital Fund	**$0**	**$1,354**	**$3,776**	**$2,422**

* The Preparedness Directorate did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

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Department of Homeland Security

Preparedness Directorate

State and Local Programs

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

OFFICE OF GRANTS AND TRAINING
STATE AND LOCAL PROGRAMS

I. Appropriation Overview

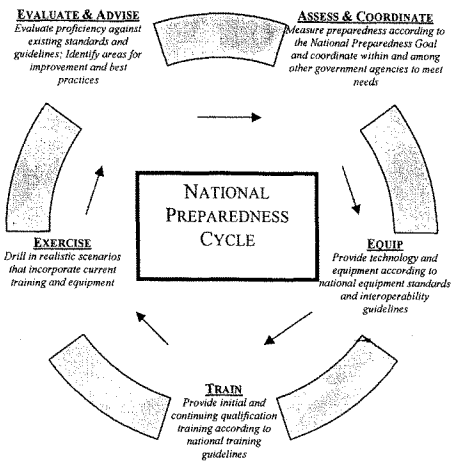
A. Mission Statement for State and Local Programs:

The Office of Grants and Training (G&T) is the principal component of the Department of Homeland Security (DHS) responsible for preparing State and local governments to prevent or respond to threats or incidents of terrorism and other catastrophic events. In carrying out its mission, G&T is responsible for providing grants, training, and support for the planning and execution of exercises, technical assistance, and other support to assist Federal agencies, States, territories, tribal, and local jurisdictions to prepare, prevent, plan for, and respond to acts of terrorism.

G&T is a key component of the Preparedness Directorate's mission to enhance the Nation's readiness for acts of terrorism, well as other strategic issues that are vital to national preparedness. Through the implementation of the Homeland Security Presidential Directive #8 (HSPD-8), G&T will establish policies that strengthen national preparedness for terrorist attacks, major disasters and other emergencies by implementing the National Preparedness Goal, improving delivery of Federal preparedness assistance to State and local governments, strengthening other capabilities of Federal, State, and local entities. G&T major program initiatives have all been developed in the context of HSPD-8, as well as supportive of implementing HSPDs on incident management and infrastructure protection.

The following diagram (Figure I-1) illustrates how G&T's core program activities facilitate ensuring our Nation's preparedness. Taken individually, each step in the cycle is represented in G&T's budget request.

Figure 2-1: National Preparedness Cycle



B. Budget Activities:

State Homeland Security Grants Program
The State Preparedness Grants Program manages and oversees three grant programs that enhance the homeland security and emergency preparedness of State and local level jurisdictions. The first program in the portfolio is the State Homeland Security Grant Program. This program awards grants to all 50 States, the District of Columbia, Puerto Rico and 4 U.S. territories and is based on risk and need. The second program, the Citizen Corps Program, is the Department's grass-roots initiative to actively involve all citizens in hometown security through personal preparedness, training, and volunteer service. The third program is the Emergency Management and Performance Grants (EMPG) Program. The EMPG Program provides funds to support emergency management initiatives at the State and local level, and improve mitigation, preparedness, response, and recovery capabilities for all hazards.

Targeted Infrastructure and Capability Grants Program
Incorporates two programs that strengthen homeland security of the metropolitan regions and infrastructure facing the greatest threats, grants are awarded on the evaluation of both risk and need. The Urban Area Security Initiative requires regional collaboration to enhance the security and readiness of the nation's high risk urban areas. A major restructuring of the UASI program in FY 2006 broadened the geographic reach of regions, focusing available funding on a smaller number of large

regions. The Targeted Infrastructure Protection Program enhances the security of the Nation's critical infrastructure by leveraging the DHS assessments of infrastructure vulnerabilities to enable key transit systems, port assets, and other critical infrastructure to prevent and respond to the threat of terrorism.

National Exercise Program
The National Exercise Program oversees the Department's Federal, State and local exercise programs, which includes the Top Officials (TOPOFF) exercise series. It is responsible for testing the capacity, at the State and local levels, to effectively implement best practices and deploy response plans and assets efficiently and effectively.

State and Local Training Program
The State and Local Training Program manages the development of, and approves training to prepare emergency responders for a WMD terrorism event. This program identifies and addresses training needs of State and local communities and prioritizes those needs to facilitate the identification of existing and new funding for course development. This program also includes the Center for Domestic Preparedness, the only WMD training facility that provides hands-on training to civilian emergency responders in a toxic chemical agent environment, and the National Domestic Preparedness Consortium, which also plays a major role in delivering training to America's first responders.

Technical Assistance Program
G&T's Technical Assistance Program provides direct assistance to State and local jurisdictions to improve their ability to prevent, respond to, and recover from threats or acts of WMD terrorism. The primary focus of the TA program is to enhance the capacity of State and local jurisdictions as well as special needs jurisdictions such as port authorities and mass transit agencies to develop, plan, and implement effective strategies for WMD preparedness.

Evaluation and National Assessment Program
The Evaluation and National Assessment Program gathers, analyzes, and interprets national and program specific data. As the focal point for information collection and evaluation, this program reviews and assesses the execution of State strategies against the supporting threat, vulnerability, and needs assessment data. As data is evaluated, meaningful and timely feedback highlighting best practices can be identified for replication and knowledge gaps can be addressed and mitigated. This information is then distributed to States and jurisdictions by G&T.

C. Budget Request Summary:
For State and Local Programs, the Office of Grants and Training requests 200 positions/FTE and $2,456,559,000 in FY 2007. This represents a net decrease of $257,728,000 as compared to FY 2006. The change from FY 2006 is explained by a series of upward and downward adjustments as described below, and discussed in greater detail in the Current Services Section and Section IV.

State Preparedness Grant Program: -$374.8 million. The reduction in funding under this program activity reflects the continuing shift of resources from state-based programs to the Targeted Infrastructure Capability Grants Program.

Targeted Infrastructure Capability Grants Program: +$294.6 million. The increase in funding under this program activity reflects the continuing shift of resources to programs that emphasize regional approaches to enhancing our nation's homeland security.

National Exercise Program: -$2.8 million. This reduction reflects an $11.1 million decrease to the Exercise Support Program, reflecting the increased state and local capability to develop self-sustaining exercise programs. Off-setting this reduction is a $2.9 million increase in national, state and local exercise activities and $5.5 million for program administration, enabling NEP to improve its coordination with Federal, state, and local exercise partners.

State and Local Training Program: -$115.5 million. The FY 2007 budget request proposes an overall reduction for training center operations. The remaining resources, totaling $92.4 million, are proposed to be allocated on a competitive discretionary basis and are consistent with funds previously requested by the Administration. DHS will continue to encourage state and urban area grantees to support training efforts that comply with DHS standards.

Technical Assistance Program: -$8.3 million. This reduction reflects a reprioritization of resources to focus Technical Assistance on core competencies for improving state and local homeland security planning. The Office of the Undersecretary will be providing technical assistance to align state and local preparedness planning including catastrophic planning efforts and dissemination of innovative preparedness concepts.

Evaluation and Assessment: +$8.8 million. The implementation of HSPD-8 will continue to be a G&T priority in FY 2007. The increase in resources will be targeted towards the implementation of the mechanisms and tools demonstrating how the nation is leveraging billions of homeland security grant resources to improve the priorities and capabilities identified in HSPD-8.

Systems Support Program: -$59.8 million. The FY 2007 budget request, proposes to eliminate the resources available under this program activity, which were appropriated but not requested in FY 2006. In addition, the $10.3 million provided within the Katrina Supplemental to replenish equipment stockpiles is not requested in FY07. This program activity was a one-time replenishment of response assets, and the FY 2007 budget proposes to transfer this program to FEMA which is responsible for managing similar equipment stockpiles.

II-A. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Office of Grants and Training
Appropriation 0560- State and Local Programs

Summary of FY2007 Budget Estimates by Appropriation and Program
(Dollars in Thousands)

Budget Activity	FY2005 Actual		FY2006 Revised Enacted		FY2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
State and Local Programs												
State Preparedness Grants Program	48	$1,708,980	54	$1,212,750	54	$ 838,000	0	$(374,750)	0	$ -	0	$ (374,750)
Targeted Infrastructure Capability Grants Program	32	$1,184,939	36	$1,143,450	36	$1,438,000	0	$ 294,550	0	$ 1	0	$ 294,550
National Exercise Program	27	$ 52,000	30	$ 51,480	30	$ 48,708	0	$ (2,772)	0	$ -	0	$ (2,772)
State and Local Training Program	26	$ 195,000	44	$ 207,900	44	$ 92,351	0	$(115,549)	0	$ -	0	$ (115,549)
Technical Assistance Program	17	$ 61,082	12	$ 19,800	12	$ 11,500	0	$ (8,300)	0	$ -	0	$ (8,300)
Evaluations Program	17	$ 14,300	24	$ 14,157	24	$ 23,000	0	$ 8,843	0	$ -	0	$ 8,843
Systems Support	0	$ 50,000	0	$ 59,800	0	$ -	0	$ (59,800)	0	$ -	0	$ (59,800)
Salaries and Expenses	31	$ 3,546	0	$ 4,950	0	$ 5,000	0	$ 50	0	$ -	0	$ 50
Subtotal, Budget Authority (All Sources)	198	$3,269,847	200	$2,714,287	200	$2,456,559	0	$(257,728)	0	$ 1	0	$ (257,728)
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	198	$3,269,847	200	$2,714,287	200	$2,456,559	0	$(257,728)	0	$ 1	0	(257,728)

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II-B. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND PROGRAM
(Dollars in Thousands)

Total, Mandatory and Discretionary, All Appropriations

	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		INCREASE (+) OR DECREASE (-) FOR FY 2007					
							Total Changes		Program Changes		Other Changes	
BUDGET ACTIVITY	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
1 State Preparedness Grants Program	**48**	**1,708,980**	**54**	**1,212,750**	**54**	**838,000**	**0**	**(374,750)**	**0**	**0**	**0**	**(374,750)**
State Grants		1,062,285										
State Homeland Security Grant Program				528,165		616,300		88,135		0		88,135
Citizen Corps		14,486		19,206		34,100		14,894		0		14,894
Law Enforcement Prevention		386,286		384,120				(384,120)				(384,120)
Metropolitan Medical Response System		28,971		28,809				(28,809)				(28,809)
Emergency Management Performance Grants		173,828		177,656		165,800		(11,856)		0		(11,856)
Real ID Grants				38,412				(38,412)				(38,412)
State Preparedness Grants Program Administration		43,123		36,383		21,800		(14,583)				(14,583)
2 Targeted Infrastructure Capability Grants Program	**32**	**1,184,939**	**36**	**1,143,450**	**36**	**1,438,000**	**0**	**294,550**	**0**	**0**	**0**	**294,550**
UASI Regional Grants		854,657		734,630		817,100		82,471		0		82,471
Targeted Infrastructure Protection						585,200		585,200		0		585,200
Port Security Grants		145,631		168,053				(168,053)				(168,053)
Rail/Transit Security Grants		142,357		144,045				(144,045)				(144,045)
Intercity Bus Security Grants		9,657		9,603				(9,603)				(9,603)
Bufferzone Protection Grants				48,015				(48,015)				(48,015)
Trucking Industry Security Grants		4,829		4,802				(4,802)				(4,802)
Targeted Infrastructure Capability Grants Program Administration		27,808		34,304		35,700		1,396				1,396
3 National Exercise Program	**27**	**52,000**	**30**	**51,480**	**30**	**48,708**	**0**	**(2,772)**	**0**	**0**	**0**	**(2,772)**
National Exercise Series/TOPOFF		15,500		15,345		15,500		155		0		155
National Special Security Events Exercises		3,000		2,970		3,000		30		0		30
Federal, State, and Local Exercises		2,200		2,277		4,000		1,723		0		1,723
Prevention Exercises		4,000		3,960		4,900		940		0		940
Exercise Support Program		25,800		23,899		12,808		(11,091)		0		(11,091)
Emerging Exercise Needs		1,500		1,485		1,500		15		0		15
National Exercise Program Administration				1,544		7,000		5,456		0		5,456
4 State and Local Training Program	**26**	**195,000**	**44**	**207,900**	**44**	**92,351**	**0**	**(115,549)**	**0**	**0**	**0**	**(115,549)**
Continuing and Emerging Training		25,000		24,008		2,900		(21,108)		0		(21,108)
Center for Domestic Preparedness		55,000		54,737		50,000		(4,737)		0		(4,737)
National Domestic Preparedness Consortium		80,000		84,506		28,051		(56,455)		0		(56,455)
Competitive/Demonstration Training Grants		30,000		28,809				(28,809)				(28,809)
Rural Domestic Preparedness Consortium		5,000		9,603				(9,603)				(9,603)
State and Local Training Program Administration				6,237		11,400		5,163				5,163
5 Technical Assistance Program	**11**	**61,082**	**12**	**19,800**	**12**	**11,500**	**0**	**(8,300)**	**0**	**0**	**0**	**(8,300)**
Technical Assistance to Support Preparedness		10,000		19,206		11,500		(7,706)		0		(7,706)
Interoperable Communications		20,000										
Technical Assistance Program Administration		11,082		594		0		(594)		0		(594)
6 Evaluation and National Assessment Program	**17**	**14,300**	**24**	**14,157**	**24**	**23,000**	**0**	**8,843**	**0**	**0**	**0**	**8,843**
Program Implementation and Effectiveness		4,100		1,683				(1,683)		0		(1,683)
Preparedness Metrics and Assessment		10,200		5,812				(5,812)		0		(5,812)
Evaluations and Assessments				594		8,000		7,406		0		7,406
HSPD-8				3,663		12,000		8,337		0		8,337
Prevention and Deterrence Activities				1,980		3,000		1,020		0		1,020
Eval. & Nat. Ass. Program Administration				425		0		(425)		0		(425)
7 Systems Support Program	**0**	**50,000**	**0**	**59,800**	**0**	**0**	**0**	**(59,800)**	**0**	**0**	**0**	**(59,800)**
Commercial Equipment Direct Assistance Program		50,000		48,015				(48,015)				(48,015)
Pre-positioned Equipment Program				10,300				(10,300)				
Systems Support Program Program Administration				1,485				(1,485)				(1,485)
Management and Administration	**31**	**3,546**		**4,950**		**5,000**	**0**	**50**	**0**	**0**	**0**	**50**
Unobligated balance expiring												0
Subtotal, Budget Authority (All Sources)	**192**	**3,269,847**	**200**	**2,714,287**	**200**	**2,456,559**	**0**	**(257,728)**	**0**	**0**	**0**	**(257,728)**
Less adjustments for other funding sources:												
Total enacted appropriations and budget estimates	**192**	**3,269,847**	**200**	**2,714,287**	**200**	**2,456,559**	**0**	**(257,728)**	**0**	**0**	**0**	**(257,728)**

III. Current Services Program Description by PPA

Department of Homeland Security
Office of Grants and Training
Appropriation 0560 – State and Local Programs
Program Performance Justification
(Dollars in thousands)

PPA: State Preparedness Grants Program

	FTP	FTE	Amount
2005 Actual	**48**	**48**	**1,708,980**
2006 Revised Enacted	**54**	**54**	**1,212,750**
2007 Adjustments to Base	0	0	(374,750)
2007 Current Services	**54**	**54**	**838,000**
2007 Program Changes	0	0	0
2007 Request	**54**	**54**	**838,000**
Total Changes 2006-2007	0	0	(374,750)

G&T requests $838 million for this activity. The reduction in funding under this program activity reflects the continuing shift of resources from state-based programs to the Targeted Infrastructure Capability Grants Program.

Specifically, the reduction reflects (1) the non-recurral of $38.4 million for REAL ID grants and $28.8 million for Metropolitan Medical Response System (MMRS) grants; (2) the non-recurral of $384.1 million for the Law Enforcement Terrorism Prevention Program activities, which are proposed to be funded under the State Homeland Security Grant Program (SHSGP); (3) the reduction of $11.9 million for the Emergency Management Performance Grants (EMPG) program, which, for FY 2007, is consistent with the level of resources previously requested; and (4) a reduction of $14.6 million in related program administration. Off-setting these reductions are programmatic increases for the State Homeland Security Grant Program totaling $88.1 million and Citizen Corps totaling $14.9 million. DHS will continue to improve the targeting of state-based grants towards the most critical priorities to be identified in the National Preparedness Goal.

CURRENT SERVICES PROGRAM DESCRIPTION:

State Homeland Security Grants Program: For FY 2007, DHS is proposing to continue the homeland security funding process begun in FY 2006 by awarding State Homeland Security Grant Program funds based on an evaluation of risk and need. This allocation would reflect a results-based planning process that supports achievement of minimum baseline capability levels nationally. This discretionary grant program would be based on the following principles:

- All 50 States, the District of Columbia, Puerto Rico, and the U.S. territories will be eligible to apply for funding.
- States will submit detailed applications including macro-level goals and activities and associated justifications detailing how those activities address capability shortfalls and enable

achievement of the minimum baseline capability levels laid out in the National Planning Guidance (NPG).

- Applications will be evaluated and funds awarded based on *risk and need*, consistent with national priorities.
- Funding will be awarded based on a relative evaluation of risk and need (as presented in the applications), but each State or territory will receive no less than 0.25 percent of the total.
- At least 20 percent of funds awarded will be dedicated to support law enforcement terrorism prevention activities.

In FY 2005, States were required to update their existing homeland security strategies as a part of the process to ensure alignment with national priorities and achievement of the minimum capability levels established in the National Planning Guidance. Updated strategies will be submitted in advance of the FY 2006 grant applications. State applications will include an action plan detailing how FY 2006 grant funds will support achievement of these priorities and minimum capability levels.

In FY 2007, State applications will again demonstrate core focus areas, how funding will be used to close critical capability gaps in support of the National Planning Guidance, and a funding allocation plan. States will be asked to develop enterprise-wide homeland security strategies for FY 2007-2009 that reflect the necessary integration and collaboration across all mission areas and support the establishment of the National Preparedness System and the realization of the National Preparedness Goal.

Applications will be reviewed and evaluated based on how proposed grant-funded activities align with identified capability gaps, State strategic goals and objectives, and national preparedness priorities. Award determinations will be made based on an evaluation of both need (as presented in the applications) and risk. DHS will consider factors such as threat, presence of critical infrastructure, vulnerability, population, borders, and ports of entry in making final award determinations.

The accelerated funding cycle, under which guidance and applications must be developed and released in a matter of weeks, has impeded the program's ability to require grantees to develop a coordinated grant allocation strategy that can be used to track program resources. This method will establish a more deliberate, up-front planning process. As such, greater time will be allotted for state application development and application review; DHS anticipates making grant awards by the 3rd quarter of FY 2007, similar to FY 2006.

Citizen Corps Program: The Citizen Corps Program (CCP) is the Department's grass-roots initiative to actively involve everyone in America in hometown security through personal preparedness, training, and volunteer service. CCP funds support Citizen Corps Councils and programs with efforts to engage citizens in preventing, preparing for, and responding to all hazards. This includes planning and evaluation, public education and communication, training, participation in exercises, providing proper equipment to citizens with a role in response, and management of Citizen Corps volunteer programs and activities.

Emergency Management Performance Grants Program: The Emergency Management Performance Grants (EMPG) Program provides funds to support emergency management initiatives at the State and local levels to improve mitigation, preparedness, response, and recovery capabilities for

all hazards. DHS is responsible for leading and supporting the Nation in a comprehensive, risk-based, all-hazards emergency management program.

Cross-walk of FY 2005 – FY 2007 Funding Allocations

	FY 2005 Funding Allocation	FY 2006 Funding Allocation	Proposed FY 2007 Funding Allocation
SHSP	All 56 States and territories are eligible. Formula using a base amount of 0.75% of the total allocation for each State (including the District of Columbia and the Commonwealth of Puerto Rico), and 0.25% of the total allocation for each U.S. Territory with the balance of funds being distributed on a population-share basis.	All 56 States and territories are eligible. With the exception of CCP and MMRS, discretionary allocation using a base amount of 0.75% of the total allocation for each State and territory with the balance of funds being awarded based on both risk and need with a minimum grant size of equal to 0.75% of the total, approximately $3.1 million. A minimum of 20% of funding targeted for law enforcement prevention activities.	All 56 States and territories are eligible. With the exception of CCP, allocation of all funds awarded will be based on risk and need, with each state or territory receiving not less than 0.25% of the total, approximately $2.7 million. Initial risk/need based allocations below that amount will be adjusted to reach the 0.25%. A minimum of 20% of funding targeted for law enforcement prevention activities.
LETPP			
CCP			
MMRS	Each of the 124 MMRS jurisdictions received $227,592.		

PPA: Targeted Infrastructure Capability Grants Program

	FTP	FTE	Amount
2005 Actual	**32**	**32**	**1,184,939**
2006 Revised Enacted	**54**	**54**	**1,143,451**
2007 Adjustments to Base	0	0	294,550
2007 Current Services	**54**	**54**	**1,438,000**
2007 Program Changes	0	0	0
2007 Request	**54**	**54**	**1,438,000**
Total Changes 2006-2007	0	0	294,550

G&T requests $1.4 billion for this activity. The increase in funding under this program activity reflects the continuing shift of resources to programs that emphasize regional approaches to enhancing our nation's homeland security.

Specifically, the increase reflects an $82.5 million enhancement to the existing UASI program, funding for the Targeted Infrastructure Protection Program (TIPP) totaling $585.2 million, and a slight increase in program administration of $1.4 million. Off-setting this increase is a reduction of $374.6 million,

which reflects the consolidation of individual transportation infrastructure grant resources under the larger (+55%), discretionary-based TIPP.

UASI Regional Grants: For FY 2007, DHS is proposing to continue the Urban Area Security Initiative (UASI) funding process established in FY 2006 by awarding UASI funds based on an evaluation of both *risk and need.* This allocation would reflect a results-based planning process that supports achievement of minimum baseline capability levels in our Nation's high threat urban areas. This discretionary grant program would be based on the following principles:

- All eligible urban areas may apply, but all applicants are *not* guaranteed funding.
- Applications will be submitted through the States, and will include strategic goals and activities and associated justification detailing how those activities address capability shortfalls and enable achievement of the minimum baseline capability levels laid out in the National Planning Guidance (NPG).
- Applications will be evaluated and funds awarded based on *risk and need*, consistent with national priorities as discussed in the National Preparedness Goal.
- Multi-jurisdictional coordination and regional preparedness initiatives will be required and will play a factor in funding allocations.

Applications will demonstrate core focus areas, how funding will be used to close critical capability gaps in support of the National Planning Guidance, and support for regional initiatives.

Applications will be reviewed and evaluated based on how proposed grant-funded activities align with identified capability gaps, strategic goals and objectives, and national priorities. Award determinations will be made based on an evaluation of both need (as presented in the applications) and risk.

DHS anticipates making grant awards by the 3rd quarter of the fiscal year, similar to FY 2006.

Cross-Walk of FY 2005 – FY 2007 UASI Funding Allocations

	FY 2005 Funding Allocation	Proposed FY 2006-2007 Funding Allocation
UASI	FY 2005 UASI funding allocated to the top 50 urban areas determined based on credible threat, presence of critical infrastructure, vulnerability, population, population density, law enforcement investigative and enforcement activity, and the existence of formal mutual aid agreements.	Eligible applicants determined by risk-and-need-based criteria, which included potential consequences and vulnerabilities. Funding awarded based on evaluation of both risk and need.

Targeted Infrastructure Protection Program: Enhancing the security of the Nation's critical infrastructure is a high priority for the Department. Funds provided through this program will directly enhance the preparedness of the owners and operators of key transit systems, port assets, and other infrastructure to prevent and respond to large scale incidents. Funds provided through this program will also allow the Department to build on and leverage partnerships with other Federal agencies and industries that seek to advance the state of the Nation's preparedness through better security solutions and information sharing approaches.

The FY 2007 Targeted Infrastructure Protection (TIP) Program will continue to build on enhancements made in prior years by utilizing a discretionary approach for allocating funds between sectors to close vulnerability gaps. This approach is similar to the FY 2006 request. In coordination with the DHS Office of Analysis and Operations and relevant threat and intelligence data from other key DHS and Federal agencies, the $600 million for an integrated, discretionary grant program will enable G&T to better supplement State, local, and private sector infrastructure protection efforts based on critical vulnerabilities. This effort will also support one of the national priorities in the National Preparedness Goal, implementation of the National Infrastructure Protection Plan.

Additional priorities for the FY 2007 program include further enhancing the linkages between critical infrastructure protection and regional planning efforts.

PPA: National Exercise Program

	FTP	FTE	Amount
2005 Actual	**27**	**27**	**52,000**
2006 Revised Enacted	**30**	**30**	**51,480**
2007 Adjustments to Base	0	0	(2,772)
2007 Current Services	**30**	**30**	**48,708**
2007 Program Changes	0	0	0
2007 Request	**30**	**30**	**48,708**
Total Changes 2006-2007	0	0	(2,772)

G&T requests $48.7 million for this activity. This reduction reflects an $11.1 million decrease to the Exercise Support Program, reflecting the increased state and local capability to develop self-sustaining exercise programs. Off-setting this reduction is a $2.9 million increase in national, state and local exercise activities and $5.5 million for program administration, enabling NEP to improve its coordination with Federal, state, and local exercise partners.

CURRENT SERVICES PROGRAM DESCRIPTION:

National Exercise Series/TOPOFF: The TOPOFF (Top Officials) National Exercise Series provides a critical mechanism for assessing the Nation's preparedness to prevent, deter, respond to, and recover from a large-scale terrorist attack. TOPOFF is a biennial cycle of increasingly complex events, which culminates in a week-long, full-scale simulation of a significant multi-point terrorist attack. TOPOFF provides a realistic opportunity for the Federal, State, and local senior officials and emergency response communities, as well as the private sector, volunteer agencies, and international partners, to test their plans, policies, and procedures in the event of such an attack. TOPOFF also helps the Department identify requirements for policy changes, training, technical assistance, and financial assistance. Procedural and policy shortcomings identified during the TOPOFF review process are remedied through the Secretary's Remedial Action Management Program (RAMP) and the Corrective Action Program (CAP).

The TOPOFF 3 Full Scale Exercise (FSE) took place over a five day period in April 2005, and involved over 22,000 participants representing the entire spectrum of emergency response activities. In preparation for TOPOFF 3, G&T conducted a series of "building block" exercises, including a command post exercise (CPX), a series of seminars addressing prevention and response issues,

national and local planning conferences, and Senior Official Exercises addressing chemical and biological attacks.

TOPOFF 3 was followed by a three-day large-scale game, which addressed medium and long-term recovery issues resulting from a massive terrorist attack. These exercises involved Federal, State, and local partners, as well as representatives of the private sector, volunteer agencies, and our international partners, the United Kingdom and Canada.

The TOPOFF exercises are designed in accordance with G&T's Homeland Security Exercise and Evaluation Program (HSEEP), which provides standardized doctrine and procedures for the management, design, implementation, and evaluation of homeland security exercises. The use of HSEEP promotes a common standard for exercise design, and thus facilitates coordination with Federal, State, and local partners. G&T has already begun preparations for TOPOFF 4, which is scheduled for FY 2007.

National Special Security Events Exercises: The National Special Security Event (NSSE) Program assists States and local jurisdictions with the design, planning, conduct, and evaluation of exercise activities for high-priority events that the Federal government designates as NSSEs. Examples of recently conducted NSSEs for which G&T has provided exercise support include the G8 summit at Sea Island, Georgia, the Republican National Convention in New York City, and the Democratic National Convention in Boston. G&T NSSE support provides a forum for Federal, State, and local personnel to rehearse the coordination and response activities that may arise in the event of a terrorist act during a high-profile special event. G&T will continue to support designated NSSE events.

Federal State and Local Exercises: The Federal, State, and Local Exercise Program focuses on regional coordination and bridging the gap between national TOPOFF exercises and State and local homeland security exercises. The program's exercises examine the regional impacts of a terrorist attack and the need for multi-jurisdictional and multi-State responses. Cross-cutting issues with regional impact include mutual aid agreements, emergency management assistance compacts, agriculture, food safety, and critical infrastructure.

Prevention Exercises: The Prevention and Deterrence Exercise Program enables G&T to meet its responsibility for building and sustaining Federal, State, and local capabilities to prevent and deter acts of terrorism. In FY 2005, G&T initiated the Prevention and Deterrence Exercise Program, conducting a twenty-three day pilot exercise in New York State. This pilot exercise featured unprecedented Federal, State, and local cooperation in testing a State's intelligence fusion center's capabilities, with "red-team" play simulating an adversary's actions. An After-Action Report details the best practices and areas for improvement identified during the pilot exercise, and proposes improvement actions. In FY 2006, G&T aims to, at minimum, conduct a second pilot exercise of greater scope and complexity, featuring Federal partners such as the FBI and Homeland Security Operations Center, while testing multiple State and local players simultaneously. As part of its Homeland Security Exercise and Evaluation Program (HSEEP), G&T is currently in the process of developing exercise evaluation standards for prevention and deterrence exercises. These evaluation standards, which enumerate detailed "critical tasks", will provide a means of assessing the Nation's prevention and deterrence capabilities, and will provide a yardstick by which to gauge progress in this area. In FY 2006, this program focuses on developing, distributing, and supporting the implementation of validated exercise methodologies and tools, which highlight prevention related activities such as Intelligence Analysis and Fusion, Information Collection and Threat Detection, and Information Sharing and Collaboration.

Exercise Support Program: G&T provides two forms of direct exercise support to States. First, G&T provides experienced contractor support to assist States in the development of ongoing, self-sustaining Statewide exercise programs. This support includes workshops, training courses, and an automated on-line toolkit to assist exercise managers with exercise design and implementation. Second, G&T provides assistance in the design, planning, conduct, and evaluation of individual exercises. In FY 2005, G&T provided direct support for 62 exercises at the State or local levels. In FY 2006 G&T's plans include 50 or more such exercises.

All G&T exercise support to States is provided in accordance with G&T's Homeland Security Exercise and Evaluation Program (HSEEP). HSEEP provides a detailed set of standards for exercise design, planning, conduct, and evaluation, and has been adopted by all 56 States and territories, as well as a number of Federal partners. The promulgation of HSEEP has introduced a set of common terms, concepts, and standards that are used by a broad array of agencies and organizations in the exercise planning process. G&T is currently in the process of revising HSEEP to reflect the critical tasks and target capabilities defined in the upcoming National Preparedness Goal.

Because it provides exercise support to a wide array of State and local partners using standardized evaluation methodologies, G&T's Exercise Support Program provides a valuable tool for comprehensive analysis of the Nation's terrorism preparedness. G&T is currently in the process of implementing an After Action Report/Improvement Plan (AAR/IP) knowledge management system. This system will track the success of partner jurisdictions at performing HSEEP critical tasks during exercises. The data gathered through AAR/IP system will provide a national-level view of preparedness capabilities, allowing analysts to identify shortcomings in the Nation's readiness for terrorist attacks. The system will also track the rate at which "Action Items" identified in After-Action Reports are addressed, thus providing a yardstick for measuring improvements in readiness. By providing such data, G&T's Exercise Support Program will continue to fulfill its critical preparedness assessment role.

Emerging Exercise Needs: The Emerging Exercise Needs Program is designed to enable G&T in meeting a variety of ongoing exercise needs, including:

- the development and conduct of exercises that address emerging threats;
- new technical approaches to the conduct of exercises;
- new approaches to the collection of exercise results; and
- the need to collaboratively conduct exercises with other DHS elements in areas such as port security, mass transit, and critical infrastructure.

PPA: State and Local Training Program

	FTP	FTE	Amount
2005 Actual	**26**	**26**	**195,000**
2006 Revised Enacted	**44**	**44**	**207,900**
2007 Adjustments to Base	0	0	(115,549)
2007 Current Services	**44**	**44**	**92,351**
2007 Program Changes	0	0	0
2007 Request	**44**	**44**	**92,351**
Total Changes 2006-2007	0	0	(115,549)

G&T requests $92.4 million for this activity. This is a decrease of $115.5 million from FY 2006. The FY 2007 budget request proposes an overall reduction for training center operations. The remaining resources, totaling $92.4 million, are proposed to be allocated on a competitive discretionary basis and are consistent with funds previously requested by the Administration. DHS will continue to encourage state and urban area grantees to support training efforts that comply with DHS standards.

CURRENT SERVICES PROGRAM DESCRIPTION:

Continuing and Emerging Training: G&T, in conjunction with Federal, State and local training providers as well as emergency response practitioners, identifies emerging training needs based on continuous task analysis and performance assessment, exercise after action reports, and data reported in State and urban area homeland security strategies. In addition, opportunities are continually identified for more effectively reaching larger portions of the emergency response community with capability-based training tied to national preparedness priorities with consideration for risk-based allocation of resources. Entities eligible to receive funding under this program include: national associations representing public safety agencies and institutions of higher education, institutions of higher education, private corporations working in conjunction with the nonprofit sector, and nonprofit organizations. Applicants are invited to submit training proposals that enhance State and local prevention, preparedness, and response capabilities. Proposals must include, but are not limited to, the following elements:

- An element addressing how the proposed project builds sustainable preparedness at the State and local level;
- A capacity-building component for the State and local jurisdictions which includes a leave-behind capability for jurisdictions to employ themselves;
- A process for identifying lessons learned and best practices for inclusion in ongoing DHS efforts; and
- Incorporation of a blended learning approach.

G&T is committed to a competitive process for making these awards. All proposals are subject to an independent peer-review panel evaluation. Peer review panels will consist of representatives from academia, industry, or Federal Government organizations, along with practitioners from Federal, State and local criminal justice and public safety agencies

Center for Domestic Preparedness: Funds for the Center for Domestic Preparedness (CDP), a component of G&T, will be allocated to provide specialized terrorism preparedness training for State, local, and tribal emergency responders on capacity-building skills tied to national priorities especially

those related to Weapons of Mass Destruction. G&T's CDP is the only Federally chartered WMD training facility. In addition to developing and delivering emergency responder training at various levels, for a broad range of disciplines, the CDP also participates in G&T's efforts on behalf of the Department to standardize and decentralize training for State, local and tribal responders while maintaining training quality and gathering meaningful evaluation data for continuous program improvement and effective program management. The CDP also performs response-focused test and evaluation of emergency response equipment. The CDP provides a unique training facility and environment for emergency responders to conduct specialized, advanced hands-on training in a toxic agent training venue that is not available at the State and local level.

National Domestic Preparedness Consortium: The NDPC works with G&T to identify training needs for all emergency response disciplines responsible for WMD terrorism prevention, deterrence, and incident response. Current NDPC membership is a partnership between university and government partners:

- Louisiana State University (law enforcement and bio-terrorism training),
- Texas A & M University (threat and risk assessment, fire/EMS, and incident command/unified command systems training),
- New Mexico Tech (explosives training),
- Center for Domestic Preparedness (live chemical agent training), and
- U.S. Department of Energy's Nevada Test Site (nuclear/radiological training).

All training sponsored by G&T/NDPC is the product of a rigorous development process that includes identification of objectives, which enhance field performance; curriculum development and review by Federal, State and local subject matter experts; pilot testing; review by a Federal interagency panel; and continuous assessment and updating.

The practice of having each NDPC member pay the full burden of participating responders reduces enrollment flexibility both among and between institutions. A cost-shared approach would leverage existing NDPC resources, and support enrollment levels more consistent with state and local needs. In FY 2005, G&T established a process for States to use their formula grant funds to procure additional deliveries of curriculum developed under G&T funds at a cost that takes into account the resources G&T has already expended for course development. This effort ensures that States desiring additional deliveries beyond G&T's ability to resource directly pay a fair and consistent price that recognizes the Government's previous investment. In FY 2006, G&T will build on this excess delivery acquisition model and will use NDPC funding to cover fixed operating expenses, with trainee costs paid by the sponsoring agency out of grant funds. Beginning in FY 2007, funding for NDPC will be allocated among members on a competitive discretionary basis. Factors that will determine the allocations will include course curriculum, program effectiveness, enrollment levels, and other performance criteria deemed appropriate.

PPA: Technical Assistance Program

	FTP	FTE	Amount
2005 Actual	**11**	**11**	**61,082**
2006 Revised Enacted	**12**	**12**	**19,800**
2007 Adjustments to Base	0	0	(8,300)
2007 Current Services	**12**	**12**	**11,500**
2007 Program Changes	0	0	0
2007 Request	**12**	**12**	**11,500**
Total Changes 2006-2007	0	0	(8,300)

G&T requests $11.5 million for this activity. This is a decrease of $8.3 million from FY 2006. This reduction reflects a reprioritization of resources to focus Technical Assistance on core competencies for improving state and local homeland security planning. The Office of the Undersecretary will be providing technical assistance to align state and local preparedness planning including catastrophic planning efforts and dissemination of innovative preparedness concepts.

CURRENT SERVICES PROGRAM DESCRIPTION:

Technical Assistance Support to Preparedness: The Homeland Security Preparedness Technical Assistance Program (HSPTAP) develops and enhances State and local jurisdiction preparedness strategies related to chemical, biological, radiological, nuclear, and explosives (CBRNE) terrorism through three types of direct services: 1) provision of information resources to raise awareness or enhance familiarity with vital preparedness capabilities; 2) provision of stand-alone tools including performance samples, models, and templates that guide the development and/or enhancement of various capabilities; and 3) delivery of customized, on-site assistance that provides facilitated instruction to ensure the development and/or enhancement of the most complex capabilities. The HSPTAP provides vital assistance through the delivery of technical assistance (TA) services that support implementation of the National Preparedness Goal and the National Preparedness Guidance.

The HSPTAP is targeted to State and local organizations based on analysis of State and Urban Area Homeland Security Strategies, which reveals national trends regarding vital capability gaps and is utilized to ensure design/development of the most vital services in-line with the National Preparedness Goal. All service requests must demonstrate a direct correlation to the corresponding State or Urban Area Homeland Security Strategy and obtain approval from the relevant State Administrative Agency or Urban Area Working Group.

TA services are grouped into three major categories: Prevention and Deterrence; Response and Recovery; and Program Management. Examples of specific TA offerings include:

- **Prevention and Deterrence TA**: These TA services assist State and local jurisdictions in the five functional areas of prevention and deterrence: Information Collection and Threat Recognition; Intelligence Fusion and Analysis; Information Sharing and Collaboration; Terrorism Investigation and Intervention; and CBRNE Detection. A description of an example TA service is provided below.

- The Prevention and Deterrence TA Workshop ensures that State and local stakeholders are fully introduced to and understand the prevention/deterrence paradigm. The workshop provides those responsible for preventing future terrorist attacks with the knowledge, skills, and resources to thwart future attacks. The workshop consists of the following objectives: 1) Develop consensus among stakeholders on the meaning and definition of prevention; and 2) Assist stakeholders in identifying their specific prevention needs.
- Since 1996, the Los Angeles County Sheriffs Department has operated a Terrorism Early Warning Group (TEW) to cover the anti-terrorism intelligence needs of the County. G&T has identified it as a model for replication throughout the country due to its success in gathering and analyzing large quantities of intelligence information from a regional, multi-discipline approach, while ensuring a flow of intelligence information from all sectors and through all levels of government through the Terrorism Early Warning Group (TEW) Expansion-Orientation and Technical Assistance program. This technical assistance program shares lessons learned about establishing TEW fusion center operations and how to share that information through regional teams. Included in this approach are preparedness strategies for prevention, detection, apprehension, and response.

- **Response and Recovery TA**: TA services are designed to improve State and local planning and management for response and recovery from terrorism, natural disasters, or other emergencies. Descriptions of Response and Recovery TA services are provided below.

  - The Interoperable Communications Technical Assistance Program (ICTAP) is designed to enhance interoperable communications between local, State, and Federal emergency responders and public safety officials, and is associated with G&T's UASI grant program. ICTAP works with the Urban Area Working Group (UAWG) to assess the current communications infrastructure for gaps and to determine the technical requirements that can be used to design an interoperable communications system.

  - The G&T's Equipment Technical Assistance Program (DPETAP) provides assistance to responders to help them better choose, operate, and maintain their CBRNE detection and response equipment by providing detailed technical information and hands-on equipment operation and maintenance training. In addition, DPETAP Instructor/Technicians provide intensive hands-on Homeland Defense Equipment Reuse (HDER) Program Training, CBRNE Mass Casualty Personnel Decontamination Training, and CBRNE Personal Protective Equipment (PPE) Field Training.

- **Program Management TA Program:** TA services assist State and local jurisdictions in developing and implementing effective preparedness strategies.

  - Grants Management TA improves the administration of G&T homeland security preparedness grants. The initial phase of the Grants Management TA service consisted of integrated research efforts that would accurately develop compilations of best practices in grants management and critical grants management

needs/problems. The benefit to States or local jurisdiction is that these research efforts serve as the foundation for the development of a tailored, on-site assistance program to ensure that identified best practices are implemented and critical needs/problems are addressed. The program includes both templates and on-site workshops.

- Program Management TA provides assistance to State and local program administrators in developing, implementing and assessing homeland security strategies and programs. The program includes the Program Management Handbook and on-site implementation assistance.

PPA: Evaluation and National Assessment Program

	FTP	FTE	Amount
2005 Actual	**17**	**17**	**14,300**
2006 Revised Enacted	**24**	**24**	**14,157**
2007 Adjustments to Base	0	0	8,843
2007 Current Services	**24**	**24**	**23,000**
2007 Program Changes	0	0	0
2007 Request	**24**	**24**	**23,000**
Total Changes 2006-2007	0	0	8,843

G&T requests $23.0 million for this activity. This is an increase of $8.8 million from FY 2006. The implementation of HSPD-8 will continue to be a G&T priority in FY 2007. The increase in resources will be targeted towards the implementation of the mechanisms and tools demonstrating how the nation is leveraging billions of homeland security grant resources to improve the priorities and capabilities identified in HSPD-8.

CURRENT SERVICES PROGRAM DESCRIPTION:

HSPD-8 Implementation: To address national preparedness, the President issued HSPD-8 on December 17, 2003. The directive calls for an all-hazards National Preparedness Goal. As required in HSPD-8, the National Preparedness Goal will include measurable readiness targets, priorities, standards for preparedness assessment and strategies, and a system for assessing the Nation's overall level of preparedness. The interim National Preparedness Goal released on March 31, 2005, reflected the Department's progress to date to develop those elements in coordination with other entities. The Final National Preparedness goal will supersede the Interim Goal. It will summarize the measurable readiness targets and refer to the companion Target Capabilities List (TCL) document for detail. Version 1.1 of the TCL, issued May 23, 2005, represents a significant step forward in developing those readiness targets. The TCLI identifies 36 capabilities that the Nation needs in order to address major events that exceed the resources of any single jurisdiction. The Final Goal will also summarize the standards for preparedness assessments and strategies, as well as Goal management and maintenance, including the assessment system.

Evaluation and Assessment: G&T is working to implement a comprehensive system to measure the effectiveness of its programs and their impact on our national preparedness. G&T has been developing and refining performance measures to focus on high-level outcomes for G&T's major programs and

building a performance measurement model. This process involves the gathering of data and information from the field, and developing databases to store this information on all of the programs. G&T will be working on enhancing the sophistication of our performance measures classification system in order to gauge the impact of our program products and services and how well they address the goals of the program. The outcome measures link to performance measures that are currently in the Interim National Preparedness Goal. The performance measures included in the Future Year Homeland Security Program (FYHSP) are focused on internal measurement of G&T programs and processes. These programs and processes are enablers for national homeland security preparedness and largely involve the transfer of information, policies/guidelines, grant funding, and technical assistance, to third parties for the achievement of DHS goals, objectives, and strategies. The G&T programs covered in FYHSP provide the foundational management, administration, and oversight in the transfer of these funds, products, and services. Many of the measures in the Goal will gauge the accomplishment of key milestones and events that will contribute to improved performance on G&T's outcome measures. The measures in the Goal all contribute to meaningful outcomes, and are more appropriately described as "indicator measures" of preparedness.

Prevention and Deterrence Activities: It is a critical priority for our Nation that we help States, local jurisdictions, and our Federal partners in achieving prevention related national priorities identified in the National Preparedness Goal and National Preparedness Guidance. The Prevention and Deterrence Program is designed to meet this critical priority by integrating all prevention-related activities of G&T, including technical assistance, training, and exercises, into a single, comprehensive prevention preparedness program. The goal is to design and build State and local prevention programs, appropriately allocate prevention resources, and create prevention capabilities. To achieve the goal, the program will identify the major planning tasks, deliverables, priorities and milestones, as well as provide policy oversight for Prevention and Deterrence technical assistance, training, exercises, and evaluations and assessments. The activities within this program also include serving as an executive agent managing and maintaining the National Planning Scenarios (NPS) and the NPS Universal Adversary (UA) (prevention) Prequels for DHS on behalf of the interagency/intergovernmental clients.

PPA: Management and Administration

	FTP	FTE	Amount
2005 Actual	**31**	**31**	**3,546**
2006 Revised Enacted	**0**	**0**	**4,950**
2007 Adjustments to Base	0	0	50
2007 Current Services	**0**	**0**	**5,000**
2007 Program Changes	0	0	0
2007 Request	**0**	**0**	**5,000**
Total Changes 2006-2007	0	0	50

G&T requests $5.0 million for this activity. This a $50,000 increase from FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Management and Administration: Management and administration includes traditional operational and program management support resources. Specifically, these funds include salaries and benefits for

all staff, travel, rent, printing and supplies, and contractor support for daily operations and G&T's contribution to the Departmental Working Capital Fund.

For 2006 and 2007, G&T is presenting a management and administration spending plan that captures the organization's salary and expense requirements by major program activity. G&T is working with the Department and OMB in developing methods to appropriately identify and finance the actual operational costs. Ultimately, the goal is to reflect the true cost of the management and oversight of G&T's nearly $3 billion annual portfolio.

In the interim, the financing of G&T's management and administration continues to depend on contributions from its grant and program activities. In 2006, a total of $80.9 million in management and administration funds has been financed though an across the board 3 percent contribution.

The below chart displays how G&T is financing its 2006 M&A requirements and how these resources will be expended by program.

Program		FY06 Funding		FY06 Execution
State Preparedness Grants Program	$	36,383	$	25,323
Target Infrastructure Capability Grants Program	$	34,304	$	20,985
National Exercise Program	$	1,544	$	6,996
State and Local Training Program	$	6,237	$	22,567
Technical Assistance Program	$	594	$	4,864
Evaluation and National Assessment Program	$	425	$	4,712
Systems Support Program	$	1,485	$	475
Management and Administration	$	4,950		
Total	$	85,922	$	85,922

Likewise, the 2007 M&A requirements are financed using the same methodology employed in 2006.

Program		FY07 Funding		FY07 Execution
State Preparedness Grants Program	$	21,800	$	23,843
Target Infrastructure Capability Grants Program	$	35,700	$	19,759
National Exercise Program	$	7,000	$	6,587
State and Local Training Program	$	11,400	$	21,247
Technical Assistance Program	$	-	$	4,580
Evaluation and National Assessment Program	$	-	$	4,437
Systems Support Program	$	-	$	447
Management and Administration	$	5,000		
Total	$	80,900	$	80,900

IV. Program Justification of Changes

Below is a description of each program adjustment.

State Preparedness Grant Program: -$374.8 million. The reduction in funding under this program activity reflects the continuing shift of resources from state-based programs to the Targeted Infrastructure Capability Grants Program.

Specifically, the reduction reflects (1) the non-recurral of $38.4 million for REAL ID grants and $28.8 million for Metropolitan Medical Response System (MMRS) grants; (2) the non-recurral of $384.1 million for the Law Enforcement Terrorism Prevention Program activities, which are proposed to be funded under the State Homeland Security Grant Program (SHSGP); (3) the reduction of $11.9 million for the Emergency Management Performance Grants (EMPG) program, which, for FY 2007, is consistent with the level of resources previously requested; and (4) a reduction of $14.6 million in related program administration. Off-setting these reductions are programmatic increases for the State Homeland Security Grant Program totaling $88.1 million and Citizen Corps totaling $14.9 million. DHS will continue to improve the targeting of state-based grants towards the most critical priorities to be identified in the National Preparedness Goal.

Targeted Infrastructure Capability Grants Program: +$294.6 million. The increase in funding under this program activity reflects the continuing shift of resources to programs that emphasize regional approaches to enhancing our nation's homeland security.

Specifically, the increase reflects an $82.5 million enhancement to the existing UASI program, funding for the Targeted Infrastructure Protection Program (TIPP) totaling $585.2 million, and a slight increase in program administration of $1.4 million. Off-setting this increase is a reduction of $374.6 million, which reflects the consolidation of individual transportation infrastructure grant resources under the larger (+55%), discretionary-based TIPP.

National Exercise Program: -$2.8 million. This reduction reflects an $11.1 million decrease to the Exercise Support Program, reflecting the increased state and local capability to develop self-sustaining exercise programs. Off-setting this reduction is a $2.9 million increase in national, state and local exercise activities and $5.5 million for program administration, enabling NEP to improve its coordination with Federal, state, and local exercise partners.

State and Local Training Program: -$115.5 million. The FY 2007 budget request proposes an overall reduction for training center operations. The remaining resources, totaling $92.4 million, are proposed to be allocated on a competitive discretionary basis and are consistent with funds previously requested by the Administration. DHS will continue to encourage state and urban area grantees to support training efforts that comply with DHS standards.

Technical Assistance Program: -$8.3 million. This reduction reflects a reprioritization of resources to focus Technical Assistance on core competencies for improving state and local homeland security planning. The Office of the Undersecretary will be providing technical assistance to align state and local preparedness planning including catastrophic planning efforts and dissemination of innovative preparedness concepts.

Evaluation and Assessment: +$8.8 million. The implementation of HSPD-8 will continue to be a G&T priority in FY 2007. The increase in resources will be targeted towards the implementation of the mechanisms and tools demonstrating how the nation is leveraging billions of homeland security grant resources to improve the priorities and capabilities identified in HSPD-8.

Systems Support Program: -$59.8 million. The FY 2007 budget request, proposes to eliminate the resources available under this program activity, which were appropriated but not requested in FY 2006. In addition, the $10.3 million provided within the Katrina Supplemental to replenish equipment stockpiles is not requested in FY07. This program activity was a one-time replenishment of response assets, and the FY 2007 budget proposes to transfer this program to FEMA which is responsible for managing similar equipment stockpiles.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Office of Grants and Training
Justification of Proposed Changes in State and Local Programs
Appropriation Language

For grants, contracts, cooperative agreements, and other activities including grants to State and local governments for terrorism prevention activities, notwithstanding any other provision of law, [$3,064,756,000*]* ***$2,456,559,000*** which shall be allocated as follows:

(1) [$220,000,000] ***$205,000,000*** for formula-based grants of which $170,000,000 shall be for Emergency Management Performance Grants and [$50,000,000] ***$35,000,000*** shall be for grants to States for Citizen Corps preparedness activities.

(2) [$2,640,000,000] ***$2,071,000,000*** for discretionary grants, as determined by the Secretary of Homeland Security, of which-

(A) [$1,020,000,000] ***$633,000,000*** shall be for grants to State and territories for enhancing capabilities to prevent, deter, respond to and recover from acts of terrorism, to be allocated by the Secretary of Homeland Security based on risks, threats, vulnerabilities and unmet essential capabilities: Provided, That each State and territory receive no less that 0.25% of the funds appropriated under this paragraph;

(B) [$1,020,000,000] $838,000,000 shall be for grants to urban areas for enhancing capabilities to prevent, deter, respond to and recover from acts of terrorism, to be allocated by the Secretary of Homeland Security based on risks, threats, vulnerabilities, and unmet essential capabilities; and

(C) $600,000,000 shall be for grants and other assistance to provide targeted infrastructure protection to ports, transit facilities, and such other infrastructure as determined by the Secretary of Homeland Security: [Provided further; That of this amount $50,000,000 shall be for implementation of buffer zone protection plans:]

Provided, That no less that 80 percent of any grant under this paragraph to a State shall be made available by the State to local governments within 60 days after the receipt of the funds: Provided further, that for grant applications submitted under paragraphs (A) and (B), no less that 20 percent of the funds requested shall be for terrorism prevention activities of law enforcement.

(3) [$178,210,000] ***$180,559,000*** for training, exercises, technical assistance, and other programs, [of which $21,300,000 shall be available for management and administration; and

(4) For necessary expenses for the Office of Grants and Training, $26,546,000; Provided, that not to exceed $2,000 shall be used for official reception and representation expenses.]

Provided, That[;] none of the grants provided under this heading shall be used for construction or renovation of facilities; except for a minor perimeter security project, not to exceed $1,000,000, as determined necessary by the Secretary of Homeland Security: Provided further, that the proceeding proviso shall not apply to grants under (2) (C) of this heading: Provided further, That grantees shall provide additional reports on their use of funds, as determined necessary by the Secretary of Homeland Security: Provided further, That funds appropriated for discretionary grants under paragraph (2)(A)

and (B) of this heading shall be available for operational costs, to include personnel overtime and overtime associated with Office of Grants and Training certified training, as needed.

Explanation of Changes:

Deletes the funds set aside for the buffer zone protection. Buffer zone protection projects will be integrated into other targeted infrastructure and capability projects under section (C) as part of risk-based infrastructure analysis.

Deletes separate management and administration funding lines for training, exercise, technical assistance, and other programs (section (3)) and Office of Grants and Training (section (4)) and provides one funding line for management and administration for the office as a whole.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Office of Grants and Training
Appropriation 0560- State and Local Programs
FY2006 to FY2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2006 Revised Enacted	**200**	**200**	**2,714,287**
Adjustments-to-Base			
Transfers to and from other accounts:	0	0	0
Increases			
2007 pay increase			524
Annualization of 2006 Pay Raise			175
Non-pay Inflation for State Preparedness Grants			18,845
Non-pay Inflation for Targeted Infrastructure Protection Grants			19,085
Non-pay Inflation National Exercise Program			859
Non-pay Inflation State and Local Training Program			3,470
Non-pay Inflation Technical Assistance Program			330
Non-pay Inflation Evaluation and Assessment Program			241
Base Realignment to Targeted Infrastructure Capability Grants Program	0	0	294,550
Base Realignment to Evaluation and National Assessment Program			8,843
Base Realignment from Management and Administration			50
Total, increases	0	0	346,972
Decreases			
Program Management Reduction to Grants			(43,529)
Base Realignment from State Preparedness Grants Program			(374,750)
Base Realignment from National Exercise Program Program			(2,772)
Base Realignment froo State and Local Training Program			(115,549)
Base Realignment from Technical Assitance Program			(8,300)
Permanent Reduction to Systems Support Program			(59,800)
Total, decreases	0	0	(604,700)
Total Adjustments to Base	**0**	**0**	**(257,728)**
2007 Current Services	**200**	**200**	**2,456,559**
Program Changes			
Total Program Changes	**0**	**0**	**0**
2007 Request	**200**	**200**	**2,456,559**
2006 to 2007 Total Changes	**0**	**0**	**(257,728)**

C. Summary of Requirements

Department of Homeland Security
Office of Grants and Training
Appropriation 0560- State and Local Programs
Summary of Requirements
(Dollars in Thousands)

	Perm. Pos.	FTE	Amount
2006 Revised Enacted	200	200	$ 2,714,287
Transfer			
2006 Appropriation Adjusted	200	200	$ 2,714,287
- Transfers to and from other accounts	0	0	$ -
Adjustment-to-base increases	0	0	$ 346,972
Adjustment-to-base decreases			$ (604,700)
2007 Base	200	200	$ 2,456,559
Program Increases/Decreases (See Program narrative for Details)			$ 0
2007 Request	200	200	$ 2,456,559

By Program/Project Activity	2006 Enacted Pos.	FTE	Amount	2007 Adjustments-To-Base Pos.	FTE	Amount	2007 Base Pos.	FTE	Amount	Program Change Pos.	FTE	Amount	2007 Request Pos.	FTE	Amount
1. State Preparedness Grants Program	54	54	$ 1,212,750	0	0	$ (374,750)	54	54	$ 838,000	0	0	$ 0	54	54	$ 838,000
2. Targeted Infra. Cap. Grants Program	36	36	$ 1,143,450	0	0	$ 294,550	36	36	$ 1,438,000	0	0	$ 0	36	36	$ 1,438,000
3. National Exercise Program	30	30	$ 51,480	0	0	$ (2,772)	30	30	$ 48,708	0	0	$ 0	30	30	$ 48,708
4. State and Local Training	44	44	$ 207,900	0	0	$ (115,549)	44	44	$ 92,351	0	0	$ 0	44	44	$ 92,351
5. Technical Assistance	12	12	$ 19,800	0	0	$ (8,300)	12	12	$ 11,500	0	0	$ 0	12	12	$ 11,500
6. Evaluation and National Assessment Progr	24	24	$ 14,157	0	0	$ 8,843	24	24	$ 23,000	0	0	$ 0	24	24	$ 23,000
7. Systems Support Program	0	0	$ 59,800	0	0	$ (59,800)	0	0	$ -	0	0	$ 0	0	0	$ 0
8. Salaries and Expenses	0	0	$ 4,950	0	0	$ 50	0	0	$ 5,000	0	0	$ -	0	0	$ 5,000
Total	200	200	$ 2,714,287	0	0	$ (257,728)	200	200	$ 2,456,559	0	0	$ 0	200	200	$ 2,456,559

* The Preparedness Directorate did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals regarding the legacy agencies of BTS, IAIP, and OSLGCP.

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D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Office of Grants and Training
Appropriaton 0560 - State and Local Programs
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$11,173	$16,125	$16,625	$500
11.3 Other than full-time permanent				---
11.5 Other Personnel Compensation				---
11.8 Special Service Pay				---
12.1 Benefits	3,906	5,474	$5,641	167
13.0 Benefits - former				---
Total, Personnel Comp. & Benefits	**$15,079**	**$21,599**	**$22,266**	**$667**
Other Object Classes:				
21.0 Travel	3,525	2,395	2,400	5
22.0 Transportation of things				---
23.1 GSA rent	4,000	3,500	3,500	---
23.2 Other rent				---
23.3 Communications, utilities, & other misc. charges		2,391	670	(1,721)
24.0 Printing and reproduction	112	200		(200)
25.1 Advisory and assistance services		867	681	(186)
25.2 Other services	423,723	242,174	165,828	(76,346)
25.3 Purchases of goods & svcs. from Gov't accounts		2,016	4,544	2,528
25.4 Operation & maintenance of facilities				---
25.5 Research and development contracts				---
25.6 Medical care				---
25.7 Operation and maintenance of equipment		6,705	7,219	514
25.8 Subsistence and support of persons				---
26.0 Supplies and materials	169			---
31.0 Equipment	251			---
32.0 Land & structures				---
41.0 Grants/Subsidies/Contributions	2,822,987	2,432,440	2,249,451	(182,989)
42.0 Indemnity				---
43.0 Interest & dividends				---
44.0 Refunds				---
91.0 Unvouchered				---
99.0 Other				---
Total, Other Object Classes	**$3,254,767**	**$2,692,688**	**$2,434,293**	**($258,395)**
Total, Direct Obligations	**$3,269,846**	**$2,714,287**	**$2,456,559**	**($257,728)**
Unobligated balance, start of year				
Unobligated balance, end of year				
Recoveries of prior year obligations				
Total requirements	**$3,269,846**	**$2,714,287**	**$2,456,559**	

Note: Totals may not add due to rounding to the nearest thousand dollars

F. Permanent Positions by Grade

Office of Grants and Training
Appropriation 0560 - State and Local Programs
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	8	5	5	---
Total, EX	1	1	1	---
GS-15	21	17	17	---
GS-14	29	33	33	---
GS-13	58	62	62	---
GS-12	26	29	29	---
GS-11	23	26	26	---
GS-10	---	---	---	---
GS-9	13	14	14	---
GS-8	---	---	---	---
GS-7	7	7	7	---
GS-6	2	2	2	---
GS-5	---	---	---	---
GS-4	2	2	2	---
GS-3	2	2	2	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**192**	**200**	**200**	---
Unfilled Positions EOY	27	---	---	---
Total Perm. Employment EOY	193	200	200	---
FTE	**220**	**200**	**200**	---
Headquarters	168	177	177	---
U.S. Field	25	25	25	---
Foreign Field	---	---	---	---
Total Permanent Positions	**220**	**200**	**200**	---
Average ES Salary	$ 139,557	$ 143,883	$ 147,623	$ 3,740
Average GS Salary	$ 76,449	$ 78,818	$ 80,867	$ 2,049
Average GS Grade	13.00	13.00	13.00	---

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
State Preparedness Grants Program
Funding Schedule
(dollars in thousands)

PPA: State Preparedness Grants Program		FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:					
11.1	Perm Positions	$ 6,816	$ 7,095	$ 4,775	$ (2,320)
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits	$ 2,383	$ 2,409	$ 48	$ (2,361)
13.0	Benefits-former				
21.0	Travel	$ 2,150	$ 1,054	$ 689	$ (365)
22.0	Transportation of things				
23.1	GSA rent	$ 2,440	$ 1,540	$ 1,005	$ (535)
23.2	Other rent				
23.3	Communication, Utililities, and misc c		$ 1,052	$ 192	$ (860)
24.0	Printing	$ 68	$ 88	$ -	$ (88)
25.1	Advisory & Assistance Services		$ 381	$ 196	$ (186)
25.2	Other Services	$ 28,261	$ 18,926	$ 11,517	$ (7,410)
25.3	Purchase from Govt. Accts.		$ 887	$ 1,305	$ 418
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipme		$ 2,950	$ 2,073	$ (877)
25.8	Subsistence & Support of persons				
26.0	Supplies & materials	$ 103			
31.0	Equipment	$ 153			
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions	$ 1,665,856	$ 1,176,368	$ 816,200	$ (360,168)
42.0	Indemnity				
91.0	Unvouchered				
	Total State Prep. Grants Program	$ 1,708,230	$ 1,212,750	$ 838,000	$ (374,750)
Full Time Equivalents		48	54	54	

Note: Totals may not add due to rounding to the nearest thousand dollars

Summary Justification and Explanation of Changes- 0560, State and Local Programs
State Preparedness Grants

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Salaries and Benefits (OC 11.1 and 12.1)	$ 9,198	$ 9,504	$ 4,823	$ (4,681)

This dollar amount represents the contribution to the overall Salaries and Benefits cost for G&T. It includes costs for 54 FTEs. The FY 2007 request includes a decrease of $4.6 million. This change is due to the fact that the FY 2007 request reflects a change in methodology on the spreading of management and administration.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$ 2,150	$ 1,054	$ 689	$ (365)

This dollar amount represents the contribution to the overall travel cost for G&T. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a decrease of $365,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ 2,440	$ 1,540	$ 1,005	$ (535)

This dollar amount represents the contribution to the overall GSA rent cost for G&T. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a decrease of $535,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ -	$ 1,052	$ 192	$ (860)

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges for G&T. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $860,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Printing (OC 24.0)	$ 68	$ 88	$ -	$ (88)

This dollar amount represents the contribution to the overall printing cost for G&T. It includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $88,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ -	$ 381	$ 196	$ (186)

This dollar amount represents the contribution to the overall advisory and assistance services for G&T. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $186,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)	$ 28,261	$ 18,926	$ 11,517	$ (7,410)

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $7.4 million. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)	$ -	$ 887	$ 1,305	$ 418

This dollar amount represents the contribution to the overall purchases from Government Accounts for G&T. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $418,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)	$ -	$ 2,950	$ 2,073	$ (877)

This dollar amount represents the contribution to the overall operation and maintenance of facilities for G&T. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a decrease of $877,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Grants (OC 41.0)	$ 1,665,856	$ 1,176,368	$ 816,200	$ (360,168)

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The $360 million reduction in grant funding is based on several factors: the substantial level of funds awarded over the past five years, the level of funding currently in the pipeline to state and local programs, and a reprioritization of DHS resources. Even at the reduced level, DHS will continue to improve the programs' effectiveness through improved targeting on states and urban areas at greatest risk, and greater focus on priorities in the National Preparedness Goal, especially enhancements of state and urban area communications interoperability.

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
Targeted Infrastructure and Capability Grant Program
Funding Schedule
(dollars in thousands)

PPA: Targeted Infrastructure Capability Grants Program		FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:					
11.1	Perm Positions	$ 4,357	$ 6,773	$ 7,820	$ 1,048
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits	$ 1,523	$ 2,299	$ 2,654	$ 355
13.0	Benefits-former				
21.0	Travel	$ 1,375	$ 1,006	$ 1,129	$ 123
22.0	Transportation of things				
23.1	GSA rent	$ 1,560	$ 1,470	$ 1,646	$ 176
23.2	Other rent				
23.3	Communication, Utililities, and misc charges		$ 1,004	$ 315	$ (689)
24.0	Printing	$ 44	$ 84	$ -	$ (84)
25.1	Advisory & Assistance Services		$ 364	$ 320	$ (44)
25.2	Other Services	$ 18,785	$ 17,642	$ 16,281	$ (1,361)
25.3	Purchase from Govt. Accts.		$ 847	$ 2,137	$ 1,290
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment		$ 2,816	$ 3,396	$ 580
25.8	Subsistence & Support of persons				
26.0	Supplies & materials	$ 66			
31.0	Equipment	$ 98			
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions	$ 1,157,131	$ 1,109,147	$ 1,402,300	$ 293,153
42.0	Indemnity				
91.0	Unvouchered				
	Total Targeted Infrastructure and Cap. Progra	$ 1,184,939	$ 1,143,451	$ 1,438,000	$ 294,549
Full Time Equivalents		32	36	36	0

Note: Totals may not add due to rounding to the nearest thousand dollars

Summary Justification and Explanation of Changes- 0560, State and Local Programs
Targeted Infrastructure Capability Grants Program

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Salaries and Benefits (OC 11.1 and 12.1)	$ 5,881	$ 9,072	$ 10,475	$ 1,403

This dollar amount represents the contribution to the overall Salaries and Benefits for G&T. It includes costs for 36 FTEs. The FY 2007 request includes an increase of $1.4 million. This change is due to the fact that the FY 2007 request reflects a change in methodology on the spreading of management and administration.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$ 1,375	$ 1,006	$ 1,129	$ 123

This dollar amount represents the contribution to the overall travel for G&T. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $123,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ 1,560	$ 1,470	$ 1,646	$ 176

This dollar amount represents the contribution to the overall GSA rent for G&T. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $176,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ -	$ 1,004	$ 315	$ (689)

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges for G&T. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $689,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Printing (OC 24.0)	$ 44	$ 84	$ -	$ (84)

This dollar amount represents the contribution to the overall printing for G&T. It includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $84,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ -	$ 364	$ 320	$ (44)

This dollar amount represents the contribution to the overall advisory and assistance services for G&T. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $44,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)	$ 18,785	$ 17,642	$ 16,281	$ (1,361)

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $1.4 million. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)	$ -	$ 847	$ 2,137	$ 1,290

This dollar amount represents the contribution to the overall purchases from Government Accounts for G&T. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $1.3 million. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)	$ -	$ 2,816	$ 3,396	$ 580

This dollar amount represents the contribution to the overall operation and maintenance of facilities for G&T. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $580,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Grants (OC 41.0)	$ 1,157,131	$ 1,109,147	$ 1,402,300	$ 293,153

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The UASI grants include an increase of $82 million and the Targeted Infrastructure Protection Grants include an increase of $211 million. This respresents the increased emphasis on focusing protection on those areas that are more at risk.

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
National Exercise Program
Funding Schedule
(dollars in thousands)

PPA: National Exercise Program		FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:					
11.1	Perm Positions		$323	$ 1,533	$ 1,210
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits		$109	$ 520	$ 411
13.0	Benefits-former				
21.0	Travel		$48	$ 221	$ 173
22.0	Transportation of things				
23.1	GSA rent		$70	$ 323	$ 253
23.2	Other rent				
23.3	Communication, Utililities, and misc charges		$48	$ 62	$ 14
24.0	Printing		$4	$ -	$ (4)
25.1	Advisory & Assistance Services		$17	$ 63	$ 45
25.2	Other Services	$ 52,000	$50,687	$ 44,902	$ (5,785)
25.3	Purchase from Govt. Accts.		$40	$ 419	$ 379
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment		$134	$ 666	$ 531
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions				
42.0	Indemnity				
91.0	Unvouchered				
Total, National Exercise Program		$52,000	$51,480	$48,708	$ (2,772)
Full Time Equivalents		27	30	30	

Note: Totals may not add due to rounding to the nearest thousand dollars

Summary Justification and Explanation of Changes- 0560, State and Local Programs
National Exercise Program

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Salaries and Benefits (OC 11.1 and 12.1)	$0	$432	$ 2,053	$ 1,621

This dollar amount represents the contribution to the overall Salaries and Benefits for G&T. It includes costs for 30 FTEs. The FY 2007 request includes an increase of $1.6 million. This change is due to the fact that the FY 2007 request reflects a change in methodology on the spreading of management and administration.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$ -	$ 48	$ 221	$ 173

This dollar amount represents the contribution to the overall travel for G&T. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $173,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ -	$ 70	$ 323	$ 253

This dollar amount represents the contribution to the overall GSA rent for G&T. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $253,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ -	$ 48	$ 62	$ 14

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges fo G&T. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $14,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Printing (OC 24.0)	$ -	$ 4	$ -	$ (4)

This dollar amount represents the contribution to the overall printing for G&T. It includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $4,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ -	$ 17	$ 63	$ 45

This dollar amount represents the contribution to the overall advisory and assistance services for G&T. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $45,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)	$52,000	$50,687	$ 44,902	$ (5,785)

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $5.8 million. This change is due to three factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment. Finally, the overall funding for the National Exercise Program decreased a total of $8.2 million. The reduction in funding is based on a reprioritization of DHS resources. However, at the reduced level, DHS will continue to improve the exercise programs' effectiveness through a greater focus on priorities in the National Preparedness Goal.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)	$ -	$ 40	$ 419	$ 379

This dollar amount represents the contribution to the overall purchases from Government Accounts for G&T. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $379,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)	$ -	$ 134	$ 666	$ 531

This dollar amount represents the contribution to the overall operation and maintenance of facilities for G&T. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $531,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
State and Local Training Program
Funding Schedule
(dollars in thousands)

PPA: State and Local Training Program		FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:					
11.1	Perm Positions		$ 1,290	$ 2,497	$ 1,207
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits		$ 438	$ 847	$ 409
13.0	Benefits-former				
21.0	Travel		$ 192	$ 360	$ 169
22.0	Transportation of things				
23.1	GSA rent		$ 280	$ 526	$ 246
23.2	Other rent				
23.3	Communication, Utililities, and misc charges		$ 191	$ 101	$ (91)
24.0	Printing		$ 16	$ -	$ (16)
25.1	Advisory & Assistance Services		$ 69	$ 102	$ 33
25.2	Other Services	$ 55,000	$ 57,800	$ 55,200	$ (2,600)
25.3	Purchase from Govt. Accts.		$ 161	$ 683	$ 521
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment		$ 536	$ 1,084	$ 548
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions	$ 140,000	$ 146,926	$ 30,951	$ (115,975)
42.0	Indemnity				
91.0	Unvouchered				
	Total, State and Local Training Program	$ 195,000	$ 207,900	$ 92,351	$ (115,549)
Full Time Equivalents		26	44	44	

Note: Totals may not add due to rounding to the nearest thousand dollars

Summary Justification and Explanation of Changes- 0560, State and Local Programs
State and Local Training Program

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Salaries and Benefits (OC 11.1 and 12.1)	$ -	$ 1,728	$ 3,344	$ 1,616

This dollar amount represents the contribution to the overall Salaries and Benefits for G&T. It includes costs for 44 FTEs. The FY 2007 request includes an increase of $1.6 million. This change is due to the fact that the FY 2007 request reflects a change in methodology on the spreading of management and administration.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$ -	$ 192	$ 360	$ 169

This dollar amount represents the contribution to the overall travel for G&T. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $169,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ -	$ 280	$ 526	$ 246

This dollar amount represents the contribution to the overall GSA rent for G&T. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $246,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ -	$ 191	$ 101	$ (91)

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges for G&T. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $91,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Printing (OC 24.0)	$ -	$ 16	$ -	$ (16)

This dollar amount represents the contribution to the overall printing for G&T. It includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $16,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ -	$ 69	$ 102	$ 33

This dollar amount represents the contribution to the overall advisory and assistance services for G&T. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $33,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)	$ 55,000	$ 57,800	$ 55,200	$ (2,600)

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $2.6 million. This change is due to three factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment. Finally, the reduction in funding reflects a reprioritization of DHS resources. At the reduced level, DHS will continue to refine its training program effectiveness through leveraging existing resources and program effiencies.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)	$ -	$ 161	$ 683	$ 521

This dollar amount represents the contribution to the overall purchases from Government Accounts for G&T. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $521,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)	$ -	$ 536	$ 1,084	$ 548

This dollar amount represents the contribution to the overall operation and maintenance of facilities for G&T. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $548,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Grants (OC 41.0)	$ 140,000	$ 146,926	$ 30,951	$ (115,975)

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The $116 million decrease in funding is due to a $21 million decrease in Continued and Emerging Training Grants and a $56.5 million decrease in funding for the National Domestic Preparedness Consortium. The $115 million reduction in grant funding is based on several factors: the substantial level of funds awarded over the past five years, the level of funding currently in the pipeline to NDPC members, and a reprioritization of DHS resources. Even at the reduced level, DHS will continue to work with the NDPC members to improve training programs' effectiveness through greater focus on priorities in the National Preparedness Goal.

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
Technical Assistance Program
Funding Schedule
(dollars in thousands)

PPA: Technical Assistance Program		FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:			$161	0	$ (161)
11.1	Perm Positions				
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits		$0	0	$ -
13.0	Benefits-former				
21.0	Travel		$24	0	$ (24)
22.0	Transportation of things				
23.1	GSA rent		$35	0	$ (35)
23.2	Other rent		$0		
23.3	Communication, Utilities, and misc charges		$24	0	$ (24)
24.0	Printing		$2	0	$ (2)
25.1	Advisory & Assistance Services		$9	0	$ (9)
25.2	Other Services	$ 61,082	$19,458	$11,500	$ (7,958)
25.3	Purchase from Govt. Accts.		$20	0	$ (20)
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment		$67	0	$ (67)
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions				
42.0	Indemnity				
91.0	Unvouchered				
	Total, Technical Assistance Program	$61,082	$19,800	$11,500	$ (8,300)
Full Time Equivalents		11	12	12	

Note: Totals may not add due to rounding to the nearest thousand dollars

Summary Justification and Explanation of Changes- 0560, State and Local Programs
Technical Assistance Program

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Salaries and Benefits (OC 11.1 and 12.1)	$0	$161	$ -	$ (161)

This dollar amount represents the contribution to the overall Salaries and Benefits for G&T. It includes costs for 12 FTEs. The FY 2007 request includes a decrease of $161,000. This change is due to the fact that the FY 2007 request reflects a change in methodology on the spreading of management and administration.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$0	$24	$ -	$ (24)

This dollar amount represents the contribution to the overall travel for G&T. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a decrease of $24,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ -	$ 35	$ -	$ (35)

This dollar amount represents the contribution to the overall GSA rent for G&T. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a decrease of $35,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ -	$ 24	$ -	$ (24)

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges for G&T. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $24,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Printing (OC 24.0)	$ -	$ 2	$ -	$ (2)

This dollar amount represents the contribution to the overall printing for G&T. It includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $2,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ -	$ 9	$ -	$ (9)

This dollar amount represents the contribution to the overall advisory and assistance services for G&T. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $9,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)	**$61,082**	**$19,458**	**$11,500**	**$ (7,958)**

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $8 million. This change is due to three factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment. Finally, the reduction in funding reflects a reprioritization of DHS resources. At the reduced level, DHS will continue to refine the technical assistance program's effectiveness through leveraging existing resources and program effiencies.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)	**$ -**	**$ 20**	**$ -**	**$ (20)**

This dollar amount represents the contribution to the overall purchases from Government Accounts for G&T. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $20,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)	**$ -**	**$ 67**	**$ -**	**$ (67)**

This dollar amount represents the contribution to the overall operation and maintenance of facilities for G&T. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a decrease of $67,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
Evaluation and National Assessment Program
Funding Schedule
(dollars in thousands)

PPA: Evaluation and National Assessment		FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:					
11.1	Perm Positions		$ 161		$ (161)
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits		$ 55		$ (55)
13.0	Benefits-former				
21.0	Travel		$ 24		$ (24)
22.0	Transportation of things				
23.1	GSA rent		$ 35		$ (35)
23.2	Other rent				
23.3	Communication, Utililities, and misc charges		$ 24		$ (24)
24.0	Printing		$ 2		$ (2)
25.1	Advisory & Assistance Services		$ 9		$ (9)
25.2	Other Services	$ 14,300	$ 13,760	$ 23,000	$ 9,240
25.3	Purchase from Govt. Accts.		$ 20		$ (20)
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment		$ 67		$ (67)
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions				
42.0	Indemnity				
91.0	Unvouchered				
	Total, Eval. And Assess. Program	$ 14,300	$ 14,157	$ 23,000	$ 8,843
Full Time Equivalents		17	24	24	

Note: Totals may not add due to rounding to the nearest thousand dollars

Summary Justification and Explanation of Changes- 0560, State and Local Programs
National Evaluation and Assessment Program

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Salaries and Benefits (OC 11.1 and 12.1)	$ -	$ 216	$ -	$ (216)

This dollar amount represents the contribution to the overall Salaries and Benefits for G&T. It includes costs for 24 FTEs. The FY 2007 request includes a decrease of $216,000. This change is due to the fact that the FY 2007 request reflects a change in methodology on the spreading of management and administration.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$ -	$ 24	$ -	$ (24)

This dollar amount represents the contribution to the overall travel for G&T. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a decrease of $24,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ -	$ 35	$ -	$ (35)

This dollar amount represents the contribution to the overall GSA rent for G&T. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a decrease of $35,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ -	$ 24	$ -	$ (24)

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges for G&T. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $24,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Printing (OC 24.0)	$ -	$ 2	$ -	$ (2)

This dollar amount represents the contribution to the overall printing for G&T. It includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $2,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ -	$ 9	$ -	$ (9)

This dollar amount represents the contribution to the overall advisory and assistance services for G&T. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $9,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)	$ 14,300	$ 13,760	$ 23,000	$ 9,240

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $9.2 million. This change is due to three factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment. Finally, the program will increase a total of $16.7 million. In FY 2007, DHS plans to develop a system for assessing the Nation's overall level of preparedness as required in HSPD-8. Current assessments, surveys and data calls requested of Federal, State, local and nongovernmemtal and private sector entities and the general public will ultimately be consolidated, revised, or realigned to create a national assessment and reporting system that supports the objective of the Goal. The system will provide the standard processes and planning tools for existing Federal preparedness programs to assess and report national readiness.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)	$ -	$ 20	$ -	$ (20)

This dollar amount represents the contribution to the overall purchases from Government Accounts for G&T. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $20,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)	$ -	$ 67	$ -	$ (67)

This dollar amount represents the contribution to the overall operation and maintenance of facilities for G&T. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a decrease of $67,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
Systems Support Program
Funding Schedule
(dollars in thousands)

PPA: Systems Support Program		FY2005 Actual*	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:					
11.1	Perm Positions		$ 323		$ (323)
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits		$ 109		$ (109)
13.0	Benefits-former				
21.0	Travel		$ 48		$ (48)
22.0	Transportation of things				
23.1	GSA rent		$ 70		$ (70)
23.2	Other rent				
23.3	Communication, Utililities, and misc charges		$ 48		$ (48)
24.0	Printing		$ 4		$ (4)
25.1	Advisory & Assistance Services		$ 17		$ (17)
25.2	Other Services	$ 50,000	$ 59,007		$ (59,007)
25.3	Purchase from Govt. Accts.		$ 40		$ (40)
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment		$ 134		$ (134)
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions				
42.0	Indemnity				
91.0	Unvouchered				
	Total, Systems Support Program	$ 50,000	$ 59,800	$ -	$ (59,800)
Full Time Equivalents		-	-	-	-

Note: Totals may not add due to rounding to the nearest thousand dollars

Summary Justification and Explanation of Changes- 0560, State and Local Programs
System Support Program

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Salaries and Benefits (OC 11.1 and 12.1)	$ -	$ 432	$ -	$ (432)

This dollar amount represents the contribution to the overall Salaries and Benefits for G&T. The FY 2007 request includes a decrease of $432,000. This change is due to the fact that the FY 2007 request reflects a change in methodology on the spreading of management and administration.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$ -	$ 48	$ -	$ (48)

This dollar amount represents the contribution to the overall travel for G&T. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes a decrease of $48,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ -	$ 70	$ -	$ (70)

This dollar amount represents the contribution to the overall GSA rent for G&T. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a decrease of $70,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ -	$ 48	$ -	$ (48)

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges for G&T. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $48,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Printing (OC 24.0)	$ -	$ 4	$ -	$ (4)

This dollar amount represents the contribution to the overall printing for G&T. It includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes a decrease of $4,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ -	$ 17	$ -	$ (17)

This dollar amount represents the contribution to the overall advisory and assistance services for G&T. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $17,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)	$ 50,000	$ 59,007	$ -	$ (59,007)

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $59 million. This change is due to four factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment. Third, theFY 2007 budget request, proposes to eliminate the resources available under this program activity, which were appropriated but not requested in FY 2006. In addition, G&T is not requesting the $10.3 million provided within the Katrina Supplemental to replenish equipment stockpiles. This program activity was planned a one-time G&T investment and the FY 2007 budget proposes to transfer this program to FEMA.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)	$ -	$ 40	$ -	$ (40)

This dollar amount represents the contribution to the overall purchases from Government Accounts for G&T. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $40,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)	$ -	$ 134	$ -	$ (134)

This dollar amount represents the contribution to the overall operation and maintenance of facilities for G&T. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes a decrease of $134,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

Department of Homeland Security
Office of Grants and Training

BUDGET JUSTIFICATIONS

Appropriation 0560- State and Local Programs
Salaries and Expenses
Funding Schedule
(dollars in thousands)

PPA: Management and Administration		FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Object Classes:					
11.1	Perm Positions	$ 2,694,160			
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits	$ 851,040			
13.0	Benefits-former				
21.0	Travel				
22.0	Transportation of things				
23.1	GSA rent				
23.2	Other rent				
23.3	Communication, Utililities, and misc charges				
24.0	Printing				
25.1	Advisory & Assistance Services				
25.2	Other Services	$ 800	$ 4,950	$ 5,000	$ 50
25.3	Purchase from Govt. Accts.				
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment				
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions				
42.0	Indemnity				
91.0	Unvouchered				
	Total, Management and Administration	$3,546,000	$4,950	$5,000	$ 50
Full Time Equivalents		31	-	-	

Summary Justification and Explanation of Changes- 0560, State and Local Programs
Management and Administration Program

	FY2005 Actual	FY2006 Revised Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)		$ 4,950	$ 5,000	$ 50

This dollar amount represents the contribution to the overall other services for G&T. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $50,000. This change is due to the fact that the FY 2007 request reflects a change in the methodology on the spreading of management and administration.

I. Schedule of Working Capital Fund

Department of Homeland Security
Office of Grants and Training
Appropriation 0560 - State and Local Programs
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
1. State Preparedness Grants Program	$ 5,118	$ 4,401	$ 4,766	365
2. Targeted Infra. Cap. Grants Program	$ 4,885	$ 4,201	$ 4,549	348
3. National Exercise Program	$ 233	$ 200	$ 217	17
4. State and Local Training	$ 931	$ 800	$ 866	66
5. Technical Assistance	$ 116	$ 100	$ 108	8
6. Evaluation and National Assessment Program	$ 116	$ 100	$ 108	8
7. Systems Support Program	$ 233	$ 200	$ 217	17
Total Working Capital Fund	**$ 11,632**	**$ 10,001**	**$ 10,831**	**$ 830**

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Department of Homeland Security

Preparedness Directorate

Assistance to Firefighter Grants

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

OFFICE OF GRANTS AND TRAINING
ASSISTANCE TO FIREFIGHTER GRANTS

I. Appropriation Overview

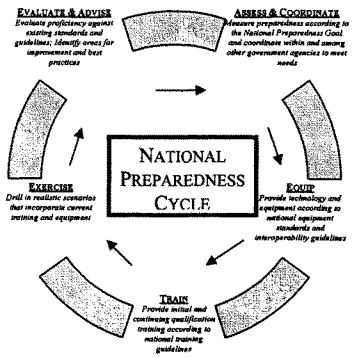
A. Mission Statement for Appropriation Name:

The Office of Grants and Training (G&T) is the principal component of the Department of Homeland Security (DHS) responsible for preparing State and local governments for acts of terrorism. In carrying out its mission, G&T is responsible for providing equipment, training, and support for the planning and execution of exercises, technical assistance, and other support to assist Federal agencies, States, territories, tribal, and local jurisdictions to prevent, plan for, and respond to acts of terrorism.

G&T plays a vital role in coordinating State and local issues across DHS and with its external stakeholders to ensure a more effective and unified policy development and the design and implementation of robust focused Federal assistance and programming.

The following diagram (Figure I-1) illustrates how G&T's core program activities facilitate ensuring our Nation's preparedness. Taken individually, each step in the cycle is represented in G&T's budget request.

Figure 2-1: National Preparedness Cycle



G&T serves as the single point of entry for State and local government agencies and non-profit/private sector organizations for first responder preparedness assistance and grant funding. G&T reports directly to the Under Secretary for Preparedness and is the conduit for national-level DHS programs,

policies, projects, and information flow between DHS and State, territorial, tribal and local governments.

B. Budget Activities:

Fire Program Activates
The Assistance to Firefighter Grants (AFG) Program awards one-year grants directly to fire departments and non-affiliated emergency medical services (EMS) organizations throughout the United States to support the Nation's first-responders in improving their effectiveness of firefighting and EMS operations.

C. Budget Request Summary:
For the Assistance to Firefighter Grants Program, the Office of Grants and Training requests 33 positions/FTE, and $293,450,000 for FY 2007 Request. The total adjustments-to-base is zero FTE and a decrease of $355,000,000.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Fire Program Activities	28	$633,000	33	$524,443	33	$280,450		(243,993)			---	(243,993)
Fire Act Program Administration		19,000		18,157		$13,000	---	(5,157)			---	(5,157)
SAFER Act Hiring Program		63,000		105,850			---	(105,850)			---	(105,850)
Subtotal, Enacted Appropriations and Budget Estimates	**28**	**$715,000**	**33**	**$648,450**	**33**	**$293,450**	**---**	**($355,000)**	**---**	**$0**	**---**	**($355,000)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**28**	**$715,000**	**33**	**$648,450**	**33**	**$293,450**	**---**	**($355,000)**	**---**	**$0**	**---**	**($355,000)**

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III. Current Services Program Description by PPA

Department of Homeland Security
Office of Grants and Training
Assistance to Firefighter Grants
Program Performance Justification
(Dollars in thousands)

PPA: Fire Program Activities

	Perm Pos	FTE	Amount
2005 Actual	**33**	**33**	**633,000**
2006 Enacted	**33**	**33**	**524,443**
2007 Adjustments-to-Base	0	0	(243,993)
2007 Current Services	**33**	**33**	**280,450**
2007 Program Change	0	0	0
2007 Request	**33**	**33**	**280,450**
Total Change 2006-2007	0	0	(243,993)

G&T requests $280.5 million for this activity. This is a decrease of $244 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Assistance to Firefighters Grant (AFG) Program awards grants directly to fire departments and non-affiliated emergency medical services (EMS) organizations throughout the United States to support one-year projects improving the effectiveness the Nation's first-responders in homeland security, firefighting, and EMS operations.

G&T administers the program, in cooperation with the U.S. Fire Administration. The entire AFG process is fully automated in an e-grant system. Applicants apply on-line, grants are awarded electronically, the grantees manage their grants (payment requests, amendments, etc.) on-line, and the grants are monitored and closed out electronically.

For FY 2007, grantees will again be invited to submit an application for assistance in the following two program areas most critical to enhancing the capabilities of the fire and EMS services:

- Operations and Safety Program which includes training, equipment, and personal protective equipment;
- Firefighting Vehicles Acquisition Program which includes pumpers, brush trucks, tankers/tenders, rescue vehicles, ambulances, quints, aerials, foam units, and fireboats.

The FY 2007 request for Operations and Safety Program does not include wellness and activities or modifications to facilities. As long as some our Nation's first-responders lack personal protective gear, training, and critical response equiment, Federal preparedness funds should be used for those activities, not acquisition of exercise equipment or construction. As in past years, a percentage will be reserved for the Prevention Program to include public education and awareness activities, fire code enforcement activities, fire inspector certifications and inspection activities, purchase and installation of smoke

alarms and/or fire suppression systems, wild land mitigation awareness, and arson prevention and detection activities.

In FY 2005, G&T received approximately 21,000 applications from fire departments and non-affiliated EMS organizations. Funding priorities for each of the funding activities are established by DHS, based on the Department's National Preparedness Goals as well as recommendations from the Nation's nine major fire service organizations. The applications that most closely relate to these established priorities are the applications that are reviewed by peer review panels. The peer review panels typically take three weeks to complete and commence within two weeks of the end of the grant application period. The grant awards are based primarily on the results of the peer review panels. Awards are announced on a weekly basis within weeks of the completion of the peer review panels.

In their applications, applicants have to demonstrate financial need, articulate the benefits to be derived from the grant funds, and provide details regarding the effect the grant would have on the applicant's daily operations. The grants are intended to supplement a fire department's or EMS organization's current budget rather than supplant it. To this end, grantees must agree to maintain expenditures in the selected grant category at the organization's average spending rate as determined by previous two years.

Volunteer and combination departments must receive a proportion of the total grant funding that is at least equal to the proportion of the Nation's population that those fire departments protect. In preparation for the FY 2007 grant cycle, G&T will obtain the most current information from the National Fire Protection Association on the proportion of the nation's population protected by volunteer and combination fire departments.

Other legislated restrictions include a ceiling on the cumulative value of vehicle awards set at 25 percent of the total appropriation. Beginning in FY 2006, G&T was directed by Congress to award no less than three and one-half (3.5) percent of the appropriation on EMS activities with no more than two (2) percent of the total appropriation going to non-affiliated EMS organizations.

The maximum size of each grant is based on the grantee's population protected. The grantees generally must also share in the cost of the funded project at a percentage based on the population of their respective jurisdictions. Those limits and cost-sharing requirements follow:

- Fire Prevention and Safety grants have a $1,000,000 limit with no cost sharing requirements.
- These table show the respective population-based requirements for grants awarded under the Assistance to Firefighters Grant Program:

Maximum Grant Per Fiscal Year

• Jurisdiction Size	• Maximum Grants per FY
• Up to 500,000	• $1,000,000
• 500,000 – 1,000,000	• $1,750,000
• Over 1,000,000	• $2,750,000

Grant cost-sharing requirements for the Assistance to Firefighters Grant Program:

• Jurisdiction Size	• Local Cost-Share
• below 20,000	• 5%
• 20,000 and 50,000	• 10%
• Above 50,000	• 20%

PPA: Fire Act Program Administration

	Perm Pos	FTE	Amount
2005 Actual			**19,000**
2006 Enacted	**0**	**0**	**18,157**
2007 Adjustments-to-Base	0	0	(5,157)
2007 Current Services	**0**	**0**	**13,000**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**13,000**
Total Change 2006-2007	0	0	(5,157)

G&T requests $13 million for this activity. This is a decrease of $5.1 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

Management and administration includes traditional operational and program management support resources. Specifically, these funds include salaries and benefits for all staff, travel, rent, printing and supplies, and contractor support for daily operations and G&T's contribution to the Departmental Working Capital Fund.

PPA: SAFER Act Hiring Program

	Perm Pos	FTE	Amount
2005 Actual			**$63,000**
2006 Enacted	**0**	**0**	**105,850**
2007 Adjustments-to-Base	0	0	(105,850)
2007 Current Services	**0**	**0**	**0**
2007 Program Change	0	0	0
2007 Request	**0**	**0**	**0**
Total Change 2006-2007	0	0	0

G&T requests no funding for this activity in FY 2007, a decrease of $105.8 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The FY 2005 and 2006 appropriation have both reflected specific amounts to be expended on these grant -- $65M and $110M respectively. The Office of Grants and Training has implemented this new grant effort by combining with the programmatic and IT platform of the Assistance to Firefighter Grants (AFG), more commonly referred to as "fire grants". SAFER, however, does have its own statutory requirements that are also followed.

SAFER grants are competitive grants for the: 1) hiring of (paid) firefighters; and 2) recruitment and retention of volunteer firefighters. The hiring grants fund only salary and benefits and are cost shared.

Recruitment and retention grants are 100% federal share. Non-Federal cost share amounts are statutory. Over the five-year performance period of the grant the federal share decreases to zero. On average, non-federal amount of total cost is higher than federal (approx 35% fed, 65% non-fed). Federal hiring costs are limited over the 5 year period of the grant to $100K per firefighter.

The competition is conducted in two phases – funding priorities and peer review. Both phases have substantial fire service involvement. The FY2005 implementation has resulted in just over 130 grants for the $65M. For the FY2006 effort, the application period will be in June. If prior experience is an indication of the interest that will be generated, we expect at least 3,000 applications. SAFER awards will commence after peer review in late August, finishing by October 2006. Funds are available for obligation until September 30, 2007. All Assistance to Firefighter Grants, including SAFER, are deployed on the digital platform. It is web-based from start to finish: grant application, award, grant management and close out system.

The Administration has not requested funds for SAFER Grants in FY 2007 on the grounds that local public safety agencies should assume responsibility for funding the appropriate number of personnel, and that Federal-funding for hiring local responders puts newly-funded personnel at risk once grant dollars phase out. In addition, over FY 2002-2006, $3.2 billion has been appropriated for the Assistance to Firefighters Grant program. In addition and other DHS grants have provided significant funding to the nation's fire service, as much 30% of Homeland Security Grant funding total.

AFG funds have been awarded largely in accordance with local priorities. As of this time, DHS is still determining what impact these funds have had on protecting responders and the public from fire-related hazards, or in enhancing the capabilities needed to respond to terrorism and catastrophic events. As discussed in PART findings, the programs' current legislative requirements and program practices hinder the targeting of resources towards threat-based homeland security priorities, and past performance measures have not been well-suited to demonstrating program results.

IV. Program Justification of Changes

The FY 2007 request proposes three program changes:

- A reduction of $244 million to Fire Program Activities. The net funding level of $280 million will be sufficient to fund hundreds of applications, focusing on those applications that enhance the most critical capabilities enhancing local response to fire, terrorism, and major disasters.
- Termination of the $109 million SAFER Act hiring program. The Administration has not previously requested such funds on the grounds that they supplant a long-standing local responsibility to fund firefighters. Federal funds should be prioritized to close the training and equipment shortfalls of existing personnel.
- A reduction of $5 million to Program Administration, reflecting the reduced level of grant funding requested.

Over FY2006-2007, the AFG program will continue efforts to asses the impact of funds awarded to date, and to align grant funding priorities with priorities and capabilities identified in the National Preparedness Goal.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Office of Grants and Training
Justification of Proposed Changes in Assistance to Firefighter Grants
Appropriation Language

[For necessary expenses for programs] ***For grants*** authorized by ***paragraphs (B), (G), (H) of section 34*** of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.), [$655,000,000] ***$293,450,000*** [of which $545,000,000 shall be available to carry out section 33 (15 U.S.C. 2229) and $110,000,000 shall be available to carry out section 34 (15 U.S.C. 2229a) of such Act,] to remain available until September 30, [2007] ***2008***: Provided, That not to exceed 5 percent of this amount shall be available for program administration. ***Provided further, That priority shall be given to applications enhancing terrorism capabilities.***

Explanation of Changes:

1. Addition of paragraphs (B), (G), (H) of section 34 refers to:
   - (B) To train firefighting personnel in firefighting, emergency response (including response to a terrorism incident or use of a weapon of mass destruction), arson prevention and detection, or the handling of hazardous materials, or to train firefighting personnel to provide any of the training described in this subparagraph
   - (G) To acquire additional firefighting vehicles, including fire trucks
   - (H) To acquire additional firefighting equipment, including equipment for communications, monitoring, and response to a terrorism incident or use of a weapon of mass destruction

2. Addition of Provided further, That priority shall be given to applications enhancing terrorism capabilities, emphasizing that capabilities needed for responding to CBRNE threats and catastrophic events will be a priority factor considered in the FY 2007 grant application process. .

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual			
2006 Enacted	**33**	**33**	**648,450**
Adjustments-to-Base			
Increases			
Total Increases	---	---	---
Decreases			
Permanent Reduction to Fire Act Program	---	---	(355,000)
Total Decreases	---	---	(355,000)
Total Adjustments-to-Base	---	---	**(355,000)**
2007 Current Services	**33**	**33**	**293,450**
Program Changes			
Total Program Changes	---	---	---
2007 Request	**33**	**33**	**293,450**
2006 to 2007 Total Change	---	---	**(355,000)**

C. Summary of Requirements

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual			
2006 Enacted	33	33	648,450
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	---
Decreases	---	---	(355,000)
Total Adjustments-to-Base	---	---	(355,000)
2007 Current Services	33	33	293,450
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	33	33	293,450
2006 to 2007 Total Change	---	---	(355,000)

	2006 Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Fire Program Activities	33	33	$648,450	---	---	($355,000)	---	---	$ ---	33	33	$293,450	---	---	($355,000)
Total	33	33	$648,450	---	---	($355,000)	---	---	$0	33	33	$293,450	---	---	($355,000)

D. Summary of Reimbursable Resources

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation		$2,906	$2,945	$39
11.3 Other than full-time permanent				---
11.5 Other Personnel Compensation				---
11.8 Special Service Pay				---
12.1 Benefits		698	707	9
13.0 Benefits - former				---
Total, Personnel Comp. & Benefits	**$0**	**$3,604**	**$3,652**	**$48**
Other Object Classes:				
21.0 Travel		700	700	---
22.0 Transportation of things				---
23.1 GSA rent				---
23.2 Other rent				---
23.3 Communications, utilities, & other misc. charges				---
24.0 Printing and reproduction				---
25.1 Advisory and assistance services				---
25.2 Other services	8,000			---
25.3 Purchases of goods & svcs. from Gov't accounts		13,853	8,648	(5,205)
25.4 Operation & maintenance of facilities				---
25.5 Research and development contracts				---
25.6 Medical care				---
25.7 Operation and maintenance of equipment				---
25.8 Subsistence and support of persons				---
26.0 Supplies and materials				---
31.0 Equipment				---
32.0 Land & structures				---
41.0 Grants/Subsidies/Contributions	933,000	630,293	280,450	(349,843)
42.0 Indemnity				---
43.0 Interest & dividends				---
44.0 Refunds				---
91.0 Unvouchered				---
99.0 Other				---
Total, Other Object Classes	**$941,000**	**$644,846**	**$289,798**	**($355,048)**
Total, Direct Obligations	**$941,000**	**$648,450**	**$293,450**	**($355,000)**
Unobligated balance, start of year	(245,000)	(19,000)	(19,000)	
Unobligated balance, end of year	19,000	19,000	19,000	
Recoveries of prior year obligations		---	---	
Total requirements	**$715,000**	**$648,450**	**$293,450**	**($355,000)**

F. Permanent Positions by Grade

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15	3	3	3	---
GS-14	5	5	5	---
GS-13	9	12	12	---
GS-12	4	5	5	---
GS-11	1	2	2	---
GS-10	---	---	---	---
GS-9	3	3	3	---
GS-8	---	---	---	---
GS-7	1	1	1	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	1	1	1	---
GS-3	1	1	1	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**28**	**33**	**33**	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	33	33	33	---
FTE	**33**	**33**	**33**	---
Headquarters	21	21	21	---
U.S. Field	12	12	12	---
Foreign Field	---	---	---	---
Total Permanent Positions	**33**	**33**	**33**	---
Average ES Salary	$ ---	$ ---	$ ---	$ ---
Average GS Salary	$ 87,149	$ 89,946	$ 92,284	$ 2,338
Average GS Grade	13.00	13.00	13.00	---

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
PPA: Fire Program Activities
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions				
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits				
13.0	Benefits-former				
21.0	Travel				
22.0	Transportation of things				
23.1	GSA rent				
23.2	Other rent				
23.3	Communication, Utililities, and misc charges				
24.0	Printing				
25.1	Advisory & Assistance Services				
25.2	Other Services				
25.3	Purchase from Govt. Accts.				
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment				
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions	633,000	524,443	280,450	(243,993)
42.0	Indemnity				
91.0	Unvouchered				
Total, Investigations - Operations		**$633,000**	**$524,443**	**$280,450**	**($243,993)**
Full Time Equivalents					

Summary Justification and Explanation of Changes

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Grants/Subsidies/Contributions	**$0**	**$524,443**	**$280,450**	**($243,993)**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The FY2007 request includes a decrease of $105.9 million. In developing the FY 2007 budget request, DHS senior management thoroughly considered how to resource its mission critical activities while expanding program areas to meet emerging needs. As a result, G&T was unable to maintain certain levels of support.

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
PPA: Fire Act Program Administration
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions		$2,906	$2,945	$39
11.3	Other than perm				---
11.5	Other per comp				---
11.8	Spec Srvc Pay				---
12.1	Benefits		730	739	9
13.0	Benefits-former				---
21.0	Travel		731	732	1
22.0	Transportation of things				---
23.1	GSA rent		602	623	21
23.2	Other rent				---
23.3	Communication, Utililities, and misc charges		765	214	(551)
24.0	Printing				---
25.1	Advisory & Assistance Services		277	218	(59)
25.2	Other Services	8,000	9,355	3,765	(5,590)
25.3	Purchase from Govt. Accts.		645	1,454	809
25.4	Operation & maintenance of facilities				---
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment		2,146	2,310	164
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials				---
31.0	Equipment				---
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Investigations - Operations		**$8,000**	**$18,157**	**$13,000**	**($5,157)**
Full Time Equivalents		28	33	33	---

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$0	$3,636	$3,684	$48

Salaries and Benefits includes costs for 33 FTEs. The FY 2007 request includes an increase of $48,000 for the proposed January 2006 2.2 percent increase in personnel compensation.

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Travel (OC 21.0)	$ 731	$ 732	$	1

This dollar amount represents the contribution to the overall travel for AFG. It includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes an increase of $1,000. This change is due to a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
GSA Rent (OC 23.1)	$ 602	$ 623	$	21

This dollar amount represents the contribution to the overall GSA rent for AFG. It includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes an increase of $21,000. This change is due to a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Communications and Utilities (OC 23.3)	$ 765	$ 214	$	(551)

This dollar amount represents the contribution to the overall communications, utilities, and miscellaneous charges for AFG. It includes all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $551,000. This change is due to a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Advisory & Assistance Services (OC 25.1)	$ 277	$ 218	$	(59)

This dollar amount represents the contribution to the overall advisory and assistance services for AFG. It includes services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $59,000. This change is due to a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Other Services (OC 25.2)		$ 9,355	$ 3,765	$ (5,590)

This dollar amount represents the contribution to the overall other services for AFG. It includes report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $5.6 million. This change is due to two factors. The first is a working capital fund technical programmatic adjustment of $390,000. Second, the FY2006 request includes a decrease of $5.2 million. Because of the decrease in grant dollars, certain economies in administrative activities with FEMA will be realized. These economies are estimated to be $5.2 million.

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Purchases from Govt. Accounts (OC 25.3)		$ 645	$ 1,454	$ 809

This dollar amount represents the contribution to the overall purchases from Government Accounts for AFG. It includes costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $809,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration. The second factor is a working capital fund technical programmatic adjustment.

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Operations and Maintenance (OC 25.7)		$ 2,146	$ 2,310	$ 164

This dollar amount represents the contribution to the overall operation and maintenance of facilities for AFG. It includes all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $164,000. This change is due to two factors. First, the FY 2007 request reflects a change in the methodology on the spreading of management and administration.The second factor is a working capital fund technical programmatic adjustment.

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Grants
PPA: SAFER Act Hiring Program
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions				
11.3	Other than perm				
11.5	Other per comp				
11.8	Spec Srvc Pay				
12.1	Benefits				
13.0	Benefits-former				
21.0	Travel				
22.0	Transportation of things				
23.1	GSA rent				
23.2	Other rent				
23.3	Communication, Utililities, and misc charges				
24.0	Printing				
25.1	Advisory & Assistance Services				
25.2	Other Services				
25.3	Purchase from Govt. Accts.				
25.4	Operation & maintenance of facilities				
25.5	Research & Development				
25.6	Medical care				
25.7	Operation & maintenance of equipment				
25.8	Subsistence & Support of persons				
26.0	Supplies & materials				
31.0	Equipment				
32.0	Land & Structures				
41.0	Grants/Subsidies/Contributions	63,000	105,850	---	(105,850)
42.0	Indemnity				
91.0	Unvouchered				
Total, Investigations - Operations		**$63,000**	**$105,850**	**$0**	**($105,850)**
Full Time Equivalents					

Summary Justification and Explanation of Changes

	FY2005 Actual	FY2006 Enacted	FY2007 Request	FY2007 Change
Grants/Subsidies/Contributions	**$0**	**$105,850**	**$0**	**($105,850)**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The FY2007 request includes a decrease of $105.9 million. In developing the FY 2007 budget request, DHS senior management thoroughly considered how to resource its mission critical activities while expanding program areas to meet emerging needs. As a result, G&T was unable to maintain certain levels of support.

I. Schedule of Working Capital Fund

Department of Homeland Security
Office of Grants and Training
Appropriation 0561 - Assistance to Firefighter Programs
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
1. State Preparedness Grants Program	$ -	$ 2,071	$ 2,243	172
2. Targeted Infra. Cap. Grants Program	$ -	$ 1,977	$ 2,141	164
3. National Exercise Program	$ -	$ 94	$ 102	8
4. State and Local Training	$ -	$ 377	$ 408	31
5. Technical Assistance	$ -	$ 47	$ 51	4
6. Evaluation and National Assessment Program	$ -	$ 47	$ 51	4
7. Systems Support Program	$ -	$ 94	$ 102	8
Total Working Capital Fund	$ -	$ 4,706	$ 5,097	$ 390

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Department of Homeland Security

Preparedness Directorate

Radiological Emergency Preparedness Program

Fiscal Year 2007
Congressional Justification

25756A

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BUDGET REQUEST AND SUPPORTING INFORMATION

Preparedness Directorate
Radiological Emergency Preparedness Program

I. Radiological Emergency Preparedness Overview

A. Mission Statement for Radiological Emergency Preparedness Program:
The Radiological Emergency Preparedness Program (REPP) assists state, local, and tribal governments in the development of offsite radiological emergency preparedness plans within the emergency planning zones of Nuclear Regulatory Commission (NRC) licensees of commercial nuclear power facilities. The REPP fund is financed from user fees assessed and collected from the NRC licensees to cover budgeted costs for radiological emergency planning, preparedness, and response activities in the following year.

B. Budget Activities:
Radiological Emergency Preparedness Program (REPP) Fund
REPP is a fee funded program with annual budget authority provided by prior yearly collections. REPP was part of FEMA in FY 2005, and budget authority was $16,912,000 (-$1,184,000 net of collections). The FY 2006 revised enacted budget authority in REPP was $18,096,000 (-$1,266,000 net of collections). REPP assists state, local, and tribal governments in the development of offsite radiological emergency preparedness plans within the emergency planning zones of the Nuclear Regulatory Commission (NRC) licensees of commercial nuclear power facilities. The REPP fund is financed from user fees assessed and collected from the NRC licensees to cover the budgeted costs for radiological emergency planning, preparedness and response activities in the following year.

Radiological Emergency Preparedness Program (REPP)
REPP was transferred to the Preparedness Directorate from FEMA under the Department's Second Stage Review (2SR). The program requests a base adjustment of 40 FTE to perform comprehensive reviews of the total security and preparedness posture around commercial nuclear power plants, which is consistent with the budget authority provided by FY 2006 fee collections. No other new initiatives or program enhancements are requested. The REPP will continue to execute its mission to assist state, local, and tribal governments in the development of offsite radiological emergency preparedness plans within the emergency planning zones of the Nuclear Regulatory Commission (NRC) licensees of commercial nuclear power facilities. The REPP fund is financed from user fees assessed and collected from the NRC licensees to cover the budgeted costs for radiological emergency planning, preparedness, and response activities in the following year.

C. Budget Request Summary:
REPP requests a base adjustment of 40 FTE in FY 2007 to perform comprehensive reviews of the total security and preparedness posture around commercial nuclear power plants.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Preparedness Directorate
Radiological Emergency Preparedness Program
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual*		FY 2006 Revised Enacted		FY 2007 Request**		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Radiological Emergency Preparedness Program	[78]	[$16,912]	90	$18,096	130	$23,832	40	$5,736	---	---	40	$5,736
Subtotal, Enacted Appropriations and Budget Estimates	**[78]**	**[$16,912]**	**90**	**$18,096**	**130**	**$23,832**	**40**	**$5,736**	**---**	**$0**	**40**	**$5,736**
Less: Adjustments for Other Funding Sources:	---	[(18,096)]	---	($19,362)	---	($24,309)	---	($4,947)	---		---	($4,947)
Net, Enacted Appropriations and Budget Estimates	**[78]**	**[($1,184)]**	**90**	**($1,266)**	**130**	**($477)**	**40**	**$789**	**---**	**$0**	**40**	**$789**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

**FY 2006 collection increases reflect anticipated FY 2007 Budget Expenditures.

III. Current Services Program Description by PPA

Department of Homeland Security
Preparedness Directorate
Radiological Emergency Preparedness Program
Program Performance Justification
(Dollars in thousands)

PPA: Radiological Emergency Preparedness Program

	Perm Pos	FTE	Amount
2005 Actual*	**[90]**	**[78]**	**[$16,912]**
2006 Budget Authority Enacted	**90**	**90**	**$18,096**
2007 Adjustments-to-Base	40	40	5,736
2007 Current Services	**130**	**130**	**$23,832**
2007 Program Change	...	...	...
2007 Budget Authority Request**	**130**	**130**	**$23,832**
Total Change 2006-2007	40	40	5,736

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.
** FY 2006 collection increases reflect anticipated FY 2007 Budget Expenditures.

Radiological Emergency Preparedness Program requests $23,832,000 for this activity. This reflects an increase of $5,736,000 over the FY 2006 enacted. The net base changes include $4,470,000 for FTE increase of 40, $369,000 for pay inflation, and $897,000 for non-pay inflation.

CURRENT SERVICES PROGRAM DESCRIPTION:
The Radiological Emergency Preparedness Program (REPP) assists state and local governments in the development of off-site radiological emergency preparedness plans within the emergency planning zones of Nuclear Regulatory Commission (NRC) licensed commercial nuclear power facilities. The fund is financed from fees assessed and collected from the NRC licensees to cover the cost of REPP.

Adjustments-to-base
Due to new terrorism-based initiatives and an increase in nuclear, radiological responsibilities (Nuclear/RAD Annex of NRP and RDD/IND activities), REPP requires 40 additional headquarters and regional FTE. Ten of these FTE will be allocated to the DHS headquarters REPP staff and the other 30 will be allocated regionally.

The additional activities and responsibilities of REPP since the terrorist attacks of 9/11 have stretched the personnel resources thin, to a point where it has become increasingly difficult to accomplish all of the goals that the Program has been charged with meeting. Significantly increased expectations and responsibilities for REPP are envisioned for FY 2007 - FY 2011, so this increase in FTE is absolutely essential to begin in FY 2007 in order for REPP to continue to successfully implement its Program and retain the highest level of integrity it has worked so hard to establish and maintain over its 26 years of existence.

In the regional offices, we will establish a 1:1 ratio of site specialist to each plant in order to handle and address the increase in site-specific issues that have surfaced since the 9/11 terrorist attacks. We

have also noticed that as these plants begin to seek license extensions the number of issues increases dramatically.

Discussions with the Nuclear Regulatory Commission (NRC) and the Nuclear Energy Institute indicate there is going to be a significant increase in the number on new license applications to build additional reactors to generate power. We will need additional staff to conduct the formal reviews of offsite emergency plans and procedures and other emergency preparedness activities prior to the NRC's granting of an operating license to these utility companies. The NRC is adding 300 FTE to address these new license applications.

Since 9/11, REPP has received an increased number of requests to participate in exercises, drills, roundtable discussions, issue committees and working groups associated with nuclear power plant security as well as emergency preparedness and planning for an incident involving a radiological dispersal device or improvised nuclear device. At the present time we cannot support all of these activities and have had to make difficult decisions about which activities warrant our support.

We have received a significant amount of requests from our federal agency partners and our state, tribal, local, and private sector stakeholders to embark on an initiative to conduct a comprehensive revision and update of the current REPP policies, guidance and regulations. Much of these operative Program documents are 10-20 years old and some of the information is severely outdated and antiquated. And now, with the 2SR and the movement of the program to Infrastructure Protection (IP), the need to update program documentation is even more acute.

In FY 2005, REPP accomplished the following goals:

- REPP provided review and approval services in support of state and local government or licensee radiological emergency plans and preparedness.

- The Program assessed NRC licensees of commercial nuclear power plants.

In FY 2006, REPP is planning on accomplishing the following goals:

- Provide support and oversight to conduct, evaluate, and report findings to the NRC on 33 joint exercises (utility, state, and local) and any remedial exercises, as necessary, of offsite plans to resolve deficiencies identified during the joint exercises; address the issue of three site-specific, formal Rule 44 CFR 350 determinations on the adequacy of offsite REPP plans and preparedness activities; conduct routine annual reviews of offsite plans and related preparedness activities at the sites; review annual certifications of state and local governments and complete periodic reviews of public information materials for all sites.

- Conduct 11 REPP courses to train federal, state, tribal, and local emergency response personnel in the detection, reporting, assessment, protection against, and reduction of effects of radioactive materials introduced into the environment in the event of nuclear power plant accidents; provide training on the REPP Evaluation Methodology procedures.

- Revise REPP policy and guidance documents; analyze REPP exercises to identify and address problem areas in offsite REPP response planning and preparedness activities.

- Print guidance and policy documents in support of REPP.

In FY 2007, REPP is planning on accomplishing the following goals:

- Plan and execute a nationally coordinated, locally executed emergency preparedness and response program. This program's success lies in its ability to integrate and enhance federal, tribal nation, state, and local governments' planning preparedness, and response capabilities for all types of peacetime radiological emergencies.

- Coordinate the activities of federal agencies with responsibilities in the radiological emergency planning and preparedness process. As the Chair of the Federal Radiological Preparedness Coordinating Committee (FRPCC), HQ REPP Management provides policy direction with respect to federal assistance to state, tribal and local governments in their radiological emergency planning and preparedness activities; coordinates research and study efforts of its member agencies relative to state, tribal and local government radiological emergency preparedness to ensure minimum duplication and maximum benefits to state, tribal and local governments; and establishes subcommittees to aid in carrying out its functions.

- Make findings and determinations on the adequacy of offsite emergency planning and preparedness and submit them to the NRC in support of the licensing of commercial nuclear power plants. REPP coordinates all federal planning for the offsite impact of radiological emergencies and takes the lead for assessing offsite radiological emergency response plans and preparedness, makes findings and determinations as to the adequacy and capability of implementing offsite plans, and communicates those findings and determinations to the NRC.

- Develop and implement training at the local, state, and federal levels. REPP manages a robust, radiological emergency preparedness and response training curriculum targeted to federal, state, and local emergency management agencies. Without proper training, emergency response personnel may not develop the requisite skills or obtain the necessary knowledge to plan for and respond to an incident or evaluate radiological exercises and drills.

- Additionally, in FY 2007 REPP will transfer program lessons learned to homeland security initiatives at the local, tribal, state, and federal levels. The states and counties participating in REPP have been recognized as having developed robust emergency response capabilities that are models across the nation for response to all hazards.

IV. Program Justification of Changes

N/A. There are no program enhancements for REPP.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Preparedness Directorate
Justification of Proposed Changes in Radiological Emergency Preparedness Appropriation Language

The aggregate charges assessed during fiscal year [2006] ***2007***, as authorized in Title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (42 U.S.C. 5196e), shall not be less than 100 percent of the amounts anticipated by the Department of Homeland Security necessary for its Radiological Emergency Preparedness Program for the next fiscal year: *Provided,* That the methodology for assessment and collection of fees shall be fair and equitable and shall reflect costs of providing such services, including administrative costs of collecting such fees: *Provided further,* That fees received under this heading shall be deposited in this account as offsetting collections and will become available for authorized purposes on October 1, [2006] ***2007***, and remain available until expended.

Explanation of Changes:

There are no changes requested for REPP.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Preparedness Directorate
Radiological Emergency Preparedness Program
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual*	[90]	[78]	[$16,912]
2006 Revised Enacted	90	90	$ 18,096
Adjustments-to-Base			
Increases			
Annualization of prior year part year funding	---	---	$ 147
2007 pay increase	---	---	$ 222
GSA Rent	---	---	$ 21
Non-pay inflation excluding GSA Rent	---	---	$ 876
FTE Increase	40	40	$ 4,470
Total Increases	40	40	$ 5,736
Decreases			
Total Decreases	---	---	$ -
Total Adjustments-to-Base	40	40	$ 5,736
2007 Current Services	130	130	$ 23,832
Program Changes			
Total Program Changes	---	---	$ -
Adjustments for Other Funding Sources			$ (24,309)
2007 Request**	130	130	$ (477)
2006 to 2007 Total Change	40	40	$ 789

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

**Collection increases reflect anticipated FY 2007 Budget Expenditures.

C. Summary of Requirements

Department of Homeland Security
Preparedness Directorate
Radiological Emergency Preparedness Program
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual*	[90]	[78]	[$16,912]
2006 Revised Enacted	**90**	**90**	**18,096**
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	40	40	5,736
Decreases	---	---	---
Total Adjustments-to-Base	40	40	5,736
2007 Current Services	**130**	**130**	**23,832**
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
Adjustment from other Funding Sources	---	---	(24,309)
2007 Total Request**	**130**	**130**	**(477)**
2006 to 2007 Total Change	40	40	789

Estimates by Program/Project Activity	2006 Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request**			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Radiological Emergency Prepare	90	90	$ 18,096	40	40	$5,736	---	---	$ ---	130	130	$23,832	40	40	$5,736
2 Offsetting Collections			$ (19,362)			($4,947)						$ (24,309)			($4,947)
Total	**90**	**90**	**$ (1,266)**	**40**	**40**	**$789**	---	---	**$ ---**	**130**	**130**	**($477)**	**40**	**40**	**$789**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

**Collection increases reflect anticipated FY 2007 Budget Expenditures.

D. Summary of Reimbursable Resources

N/A. There are no reimbursable resources requested for REPP.

E. Summary of Requirements by Object Class

Department of Homeland Security
Preparedness Directorate
Radiological Emergency Preparedness Program
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual*	2006 Revised Enacted	2007 Request**	2006 - 2007 Change***
11.1 Total FTE & personnel compensation	$ 6,000	$ 6,252	$ 10,179	$ 3,927
11.3 Other than full-time permanent	$ -	$ -	$ -	$ -
11.5 Other Personnel Compensation	$ -	$ 188	$ 305	$ 118
11.8 Special Service Pay	$ -	$ -	$ -	$ -
12.1 Benefits	$ 2,000	$ 2,088	$ 3,391	$ 1,303
13.0 Benefits - former	$ -	$ -	$ -	$ -
Total, Personnel Comp. & Benefits	**$ 8,000**	**$ 8,528**	**$ 13,875**	**$ 5,348**
Other Object Classes:				
21.0 Travel	$ 1,000	$ 599	$ 635	$ 36
22.0 Transportation of things	$ -	$ -	$ -	$ -
23.1 GSA rent	$ 1,000	$ 586	$ 607	$ 21
23.2 Other rent	$ -	$ 776	$ 786	$ 10
23.3 Communications, utilities, & other misc. charges	$ -	$ 20	$ 29	$ 9
24.0 Printing and reproduction	$ -	$ 11	$ 12	$ 0
25.1 Advisory and assistance services	$ -	$ 2,108	$ 2,186	$ 78
25.2 Other services	$ 6,000	$ 5,163	$ 5,378	$ 215
25.3 Purchases of goods & svcs. from Gov't accounts	$ -	$ 47	$ 59	$ 13
25.4 Operation & maintenance of facilities	$ -	$ 149	$ 151	$ 2
25.5 Research and development contracts	$ -	$ -	$ -	$ -
25.6 Medical care	$ -	$ -	$ -	$ -
25.7 Operation and maintenance of equipment	$ -	$ -	$ -	$ -
25.8 Subsistence and support of persons	$ -	$ -	$ -	$ -
26.0 Supplies and materials	$ -	$ 25	$ 26	$ 1
31.0 Equipment	$ -	$ 84	$ 87	$ 3
32.0 Land & structures	$ -	$ -	$ -	$ -
41.0 Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0 Indemnity	$ -	$ -	$ -	$ -
43.0 Interest & dividends	$ -	$ -	$ -	$ -
44.0 Refunds	$ -	$ -	$ -	$ -
91.0 Unvouchered	$ -	$ -	$ -	$ -
99.0 Other	$ -	$ -	$ -	$ -
Total, Other Object Classes	**$ 8,000**	**$ 9,568**	**$ 9,957**	**$ 388**
Total, Direct Obligations	**[$16912]**	**$ 18,096**	**$ 23,832**	**$ 5,736**
Unobligated balance, start of year				
Unobligated balance, end of year				
Recoveries of prior year obligations				
Total requirements	**[$16912]**	**$ 18,096**	**$ 23,832**	**$ 5,736**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals. (Numbers are rounded due to MAX rounding to the nearest million.)

**Collection increases reflect anticipated FY 2007 Budget Expenditures.

***Totals may not add due to rounding to the nearest thousand dollars.

- **Permanent Positions by Grade**

Department of Homeland Security
Preparedness Directorate
Radiological Emergency Preparedness Program
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual* Pos.	2006 Revised Enacted Pos.	2007 Request** Pos.	2006 to 2007 Change Total
Total, SES	---	---	---	---
Total, EX	---	---	---	---
GS-15	2	2	2	---
GS-14	13	13	13	---
GS-13	17	17	57	40
GS-12	36	36	36	---
GS-11	5	5	5	---
GS-10	---	---	---	---
GS-9	4	4	4	---
GS-8	---	---	---	---
GS-7	9	9	9	---
GS-6	3	3	3	---
GS-5	1	1	1	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**[90]**	**90**	**130**	**40**
Unfilled Positions EOY	12	---	---	---
Total Perm. Employment EOY	78	90	130	40
FTE	**78**	**90**	**130**	**40**
Headquarters	26	26	36	10
U.S. Field	64	64	94	30
Foreign Field		---	---	---
Total Permanent Positions	**[90]**	**90**	**130**	**40**
Average ES Salary		N/A	N/A	N/A
Average GS Salary	$ 96,449	$ 98,957	$ 104,024	$ 5,067
Average GS Grade	12.50	12.50	12.60	0.10

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

**Collection increases reflect anticipated FY 2007 Budget Expenditures.

G. Capital Investment and Construction Initiative Listing
Preparedness Directorate
Radiological Emergency Preparedness Program

N/A. There are no capital investments for REPP.

H. PPA Budget Justification

Department of Homeland Security
Preparedness Directorate
Radiological Emergency Preparedness Program
Funding Schedule
(Dollars in Thousands)

		2005	2006	2007	2006 to 2007
PPA: REPP		**Actual***	**Revised Enacted**	**Request****	**Change*****
Object Classes:					
11.1	Perm Positions	$ 6,000	$ 6,252	$ 10,179	$ 3,927
11.3	Other than perm	$ -	$ -	$ -	$ -
11.5	Other per comp	$ -	$ 188	$ 305	$ 118
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ 2,000	$ 2,088	$ 3,391	$ 1,303
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ 1,000	$ 599	$ 635	$ 36
22.0	Transportation of things	$ -	$ -	$ -	$ -
23.1	GSA rent	$ 1,000	$ 586	$ 607	$ 21
23.2	Other rent	$ -	$ 776	$ 786	$ 10
23.3	Communication, Utilities, and misc charges	$ -	$ 20	$ 29	$ 9
24.0	Printing	$ -	$ 11	$ 12	$ 0
25.1	Advisory & Assistance Services	$ -	$ 2,108	$ 2,186	$ 78
25.2	Other Services	$ 6,000	$ 5,163	$ 5,378	$ 215
25.3	Purchase from Govt. Accts.	$ -	$ 47	$ 59	$ 13
25.4	Operation & maintenance of facilities	$ -	$ 149	$ 151	$ 2
25.5	Research & Development	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ -	$ -	$ -	$ -
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ -	$ 25	$ 26	$ 1
31.0	Equipment	$ -	$ 84	$ 87	$ 3
32.0	Land & Structures	$ -	$ -	$ -	$ -
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
	Total, REPP	**[$16912]**	**$ 18,096**	**$ 23,832**	**$ 5,736**
Full Time Equivalents		[78]	90	130	40

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

**Collection increases reflect anticipated FY 2007 Budget Expenditures.

***Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

The Radiological Emergency Preparedness Program (REPP) assists state, local, and tribal governments in the development of offsite radiological emergency preparedness plans within the emergency planning zones of Nuclear Regulatory Commission (NRC) licensees of commercial nuclear power facilities. The REPP fund is financed from user fees assessed and collected from the NRC licensees to cover budgeted costs for radiological emergency planning, preparedness, and response activities in the following year.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$8,000**	**$8,528**	**$13,875**	**$5,348**

Salaries and Benefits includes costs for 130 FTEs. The FY 2007 request includes an increase of $369,000 for the proposed January 2007 2.2 percent increase in personnel compensation and an annualization of FY 2006 pay increase, $4,470,000 increase for 40 new FTEs, and FY 2007 request includes an increase of $508,645 in other technical programmatic adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$1,000**	**$599**	**$635**	**$36**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes $36,000 for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$1,000**	**$586**	**$607**	**$21**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $21,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$0**	**$776**	**$786**	**$10**

Other rent includes all payments to a non-federal source for rental space, land, and structures. The FY 2006 request includes an increase of $10,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$20**	**$29**	**$9**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes $9,000 for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$11**	**$12**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other federal entitities. There is no significant change from FY 2006 to FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$2,108**	**$2,186**	**$78**

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, state and local governments, tribes, etc.) as well as from other units within the Federal Government. The $78,000 increase is for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$6,000**	**$5,163**	**$5,378**	**$215**

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The $215,000 increase is for non-pay inflation and working capital fund charges.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$47**	**$59**	**$13**

Purchases from government accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The $13,000 increase is for non-pay inflation and working capital fund charges.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$149**	**$151**	**$2**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another federal government account. The $2,000 is for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$25**	**$26**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The $1,000 incease is for non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$84**	**$87**	**$3**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The increase of $3,000 is for non-pay inflation and working capital fund charges.

I. Schedule of Working Capital Fund

Department of Homeland Security

Preparedness Directorate

Radiological Emergency Preparedness Program

FY 2007 Schedule of Working Capital Fund by Program/Project Activity

(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual* AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Radiological Emergency Preparedness Program		$455	$545	$90
Total Working Capital Fund	**$0**	**$455**	**$545**	**$90**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

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Department of Homeland Security

Preparedness Directorate

U.S. Fire Administration

Fiscal Year 2007
Congressional Justification

25756A

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BUDGET REQUEST AND SUPPORTING INFORMATION

Preparedness Directorate
United States Fire Administration

I. United States Fire Administration Overview

A. Mission Statement for The United States Fire Administration(USFA):
The mission of The United States Fire Administration (USFA) is to reduce life and economic losses due to fire and related emergencies through leadership, coordination, and support, and also to prepare the Nation's first responder and health care leaders through ongoing, and when necessary, expedited training regarding how to evaluate and minimize community risk, improve protection to critical infrastructure, and be better prepared to react to all hazard and terrorism emergencies of all kinds.

USFA coordinates with other federal agencies, with state and local emergency service communities, the private sector, and with colleges, universities and other DHS educational consortium participants. In fulfilling our mission we utilize the assets of the National Fire Academy (NFA), the Noble Training Center (NTC), Emergency Education NETwork EENET or USFA Distance Learning Systems, the National Fire Data Center, and USFA's National Fire Programs (NFP) Division.

B. Budget Activities:
USFA significant accomplishments in FY 2005:

- Continued serving as the federal fire focus by championing federal fire protection issues to reduce the national fire loss and to improve protection of the public from fire and related emergencies.
- Developed policy, procedures, and training for a cadre of structural firefighters that will be identified by state in wild land fire threat zones.
- Developed and delivered training programs to an estimated 70,000 fire and emergency response personnel at the National Fire Academy both on and off campus through its diverse delivery system and network of national training partners.

In FY 2006, USFA is planning on accomplishing the following goals:

- Deliver training programs to fire and emergency response personnel at the NFA, both on and off campus, through its diverse delivery system and network of national training partners.
- Through the use of technology, develop and disseminate new national prevention, public education, preparedness and planning programs that address reducing the nation's risk and vulnerabilities to all hazards, including the threat of terrorism.
- Continue comprehensive training to support the National Incident Management System Integration Center (NIC) and the nationwide implementation on National Incident Management System (NIMS).
- Field new NIMS courses in Incident Command System (ICS), crisis communications management, and multi-agency coordination.

In FY 2007, USFA will accomplish the following goals:

- Deliver training program to fire and emergency response personnel at the NFA.

- Perform comprehensive training to support the NIC and the nationwide implementation on NIMS.
- Field new NIMS courses in ICS, crisis communications management, and multi-agency coordination.

C. Budget Request Summary:

USFA requests $46,849,000 to support its ongoing mission of providing training for the Nation's first responder and health care leaders that helps them reduce the loss of life. At the start of FY 2006 and continuing through FY 2007, the USFA was reorganized from Federal Emergency Management Agency (FEMA) to the DHS Preparedness Directorate. The FY 2007 funding request contains a $2,350,000 increase, of which $1,500,000 will fund development of new training curriculum and an additional FTE to better prepare the Nation's medical emergency personnel to effectively manage the effects of natural disasters, terrorists attacks and other catastrophic events. An additional $850,000 covers mandatory cost increases associated with payroll and inflationary costs.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Preparedness Directorate
U.S. Fire Administration
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual*		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
U.S. Fire Administration	[113]	[$42,847]	113	$44,499	114	$46,849	1	$2,350	1	1,500	—	$850
Subtotal, Enacted Appropriations and Budget Estimates	**[113]**	**[$42,847]**	**113**	**$44,499**	**114**	**$46,849**	**1**	**$2,350**	**1**	**$1,500**	**—**	**$850**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**[113]**	**[$42,847]**	**113**	**$44,499**	**114**	**$46,849**	**1**	**$2,350**	**1**	**$1,500**	**—**	**$850**

* The Preparedness Directorate did not exist prior to FY 2006. For comparison purposes, FY 2005 is an estimate of actuals.

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III. Current Services Program Description by PPA

Department of Homeland Security
U. S. Fire Administration
Program Performance Justification
(Dollars in thousands)

PPA: United States Fire Administration

	Perm Pos	FTE	Amount
2005 Actual*	**[113]**	**[113]**	**[$42,847]**
2006 Revised Enacted	**113**	**113**	**$44,499**
2007 Adjustments-to-Base	...	...	850
2007 Current Services	**113**	**113**	**$45,349**
2007 Program Change	2	1	1,500
2007 Request	**115**	**114**	**$46,849**
Total Change 2006-2007	2	1	2,350

* The Preparedness Directorate did not exist prior to FY 2006. For comparison purposes, FY 2005 is an estimate of actuals.

Preparedness requests $46,849,000 in FY 2007 for this activity. This reflects an increase of $850,000 for pay and non-pay inflation and a program increase of $1,500,000.

CURRENT SERVICES PROGRAM DESCRIPTION:
The USFA coordinates, directs, and controls fire prevention, mitigation and response activities, and fire service and allied professions training and education programs. It provides subject matter expertise to the emergency response community by serving as a clearing house federal fire protection issues, developing policy, procedures, and training for a cadre of structural firefighters that will be identified by state in wild land fire threat zones, delivering training programs to fire and emergency response personnel at the National Fire Academy, and delivering resident course offerings to students at the National Emergency Training Center and the Noble Training Center. Prior to FY06, FEMA funding estimates included USFA, the Emergency Management Institute (EMI), and the Nobel Training Center (NTC). Under 2SR, EMI remained part of FEMA, while NTC and USFA were integrated into Preparedness.

IV. Program Justification of Changes

Department of Homeland Security
Preparedness Directorate
United States Fire Administration
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Training Program Enhancement for the Noble Training Center

Strategic Goal & Objective: Protection 3.7: Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, and other emergencies.

PPA: United States Fire Administration

Program Increase: Positions 2 FTE 1 Dollars $1,500

Funding Profile

	FY 2005 Actual*			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							113	113	$ 45,349
Program Increase							2	1	$ 1,500
Total Request	**[113]**	**[113]**	**[$42,847]**	**113**	**113**	**$ 44,499**	**115**	**114**	**$ 46,849**

* The Preparedness Directorate did not exist prior to FY 2006. For comparison purposes, FY 2005 is an estimate of actuals.

Description of Item
An increase of $1,500,000 and 1 FTE is requested for FY 2007 to increase the Nation's preparedness for natural or terrorist disasters through enhanced emergency medical personnel training.

Justification
This funding will enable the USFA to develop and upgrade course structures and materials to remain current with evolving technologies, techniques, and threats.

Impact on Performance (Relationship of Increase to Strategic Goals)
This program supports the strategic Protection 3.7 – 100% - Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters, or other emergencies. The funding will allow USFA to support WME related training and improvements to the Noble training center.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Preparedness Directorate
Justification of Proposed Changes in United States Fire Administration
Appropriation Language

For necessary expenses of the United States Fire Administration and for other purposes, as authorized by 15 U.S.C. 2201 et seq. and 6 U.S.C. 101 et seq., [$44,948,000] ***$46,849,000***.

Explanation of Changes:

There are no changes requested.

B. FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Preparedness Directorate
U.S. Fire Administration
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual *	[113]	[113]	[$42,847]
2006 Revised Enacted	113	113	44,499
Adjustments-to-Base			
Increases			
2007 pay increase	---	---	207
Non-pay inflation excluding GSA Rent	---	---	643
Total Increases	---	---	850
Decreases			
Total Decreases	---	---	---
Total Adjustments-to-Base	---	---	**850**
2007 Current Services	113	113	45,349
Program Changes			
Program Increases/(Decreases)			
Training enhancement for Noble Training Center	2	1	1,500
Total Program Changes	**2**	**1**	**1,500**
2007 Request	115	114	46,849
2006 to 2007 Total Change	2	1	2,350

* The Preparedness Directorate did not exist prior to FY 2006. For comparison purposes, FY 2005 is an estimate of actuals.

C. Summary of Requirements

Department of Homeland Security
Preparedness Directorate
U.S. Fire Administration
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual*	[113]	[113]	[$42,847]
2006 Revised Enacted	113	113	44,499
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	850
Decreases	---	---	---
Total Adjustments-to-Base	---	---	850
2007 Current Services	113	113	45,349
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	2	1	1,500
2007 Total Request	115	114	46,849
2006 to 2007 Total Change	2	1	2,350

Estimates by Program/Project Activity	2006 Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 U.S. Fire Administration	113	113	$ 44,499	---	---	$ 850	2	1	$ 1,500	115	114	$46,849	2	1	$2,350
Total	**113**	**113**	**$44,499**	**---**	**---**	**$850**	**2**	**1**	**$1,500**	**115**	**114**	**$46,849**	**2**	**1**	**$2,350**

* The Preparedness Directorate did not exist prior to FY 2006. For comparison purposes, FY 2005 is an estimate of actuals.

D. Summary of Reimbursable Resources

N/A. There are no reimbursable resources for USFA.

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E. Summary of Requirements by Object Class

Department of Homeland Security
Preparedness Directorate
U.S. Fire Administration
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual*	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Total FTE & personnel compensation	$ 7,946	$ 8,275	$ 8,588	$ 313
11.3	Other than full-time permanent	$ 122	$ 114	$ 120	$ 6
11.5	Other Personnel Compensation	$ 167	$ 211	$ 220	$ 9
11.8	Special Service Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ 1,926	$ 2,017	$ 2,093	$ 76
13.0	Benefits - former	$ -	$ -	$ -	$ -
	Total, Personnel Comp. & Benefits	**$10,161**	**$ 10,617**	**$ 11,020**	**$ 403**
	Other Object Classes:				
21.0	Travel	$ 395	$ 391	$ 391	$ -
22.0	Transportation of things	$ 91	$ 71	$ 71	$ -
23.1	GSA rent	$ -	$ -	$ -	$ -
23.2	Other rent	$ 247	$ 644	$ 644	$ -
23.3	Communications, utilities, & other misc. charges	$ 2,792	$ 2,170	$ 2,405	$ 235
24.0	Printing and reproduction	$ 425	$ 697	$ 697	$ -
25.1	Advisory and assistance services	$ -	$ -	$ -	$ -
25.2	Other services	$ 10,564	$ 14,833	$ 16,605	$ 1,772
25.3	Purchases of goods & svcs. from Gov't accounts	$ 2,170	$ 2,522	$ 2,522	$ -
25.4	Operation & maintenance of facilities	$ 8,286	$ 5,120	$ 5,120	$ -
25.5	Research and development contracts	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation and maintenance of equipment	$ 131	$ 6	$ 6	$ -
25.8	Subsistence and support of persons	$ -	$ -	$ -	$ -
26.0	Supplies and materials	$ 755	$ 908	$ 908	$ -
31.0	Equipment	$ 1,110	$ 459	$ 459	$ -
32.0	Land & structures	$ 1,086	$ 1,471	$ 1,471	$ -
41.0	Grants/Subsidies/Contributions	$ 4,634	$ 4,590	$ 4,530	$ (60)
42.0	Indemnity	$ -	$ -	$ -	$ -
43.0	Interest & dividends	$ -	$ -	$ -	$ -
44.0	Refunds	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
99.0	Other	$ -	$ -	$ -	$ -
	Total, Other Object Classes	**$32,686**	**$ 33,882**	**$ 35,829**	**$ 1,947**
	Total, Direct Obligations	**$42,847**	**$ 44,499**	**$ 46,849**	**$ 2,350**
	Unobligated balance, start of year	—	$ -	$ -	
	Unobligated balance, end of year	—	$ -	$ -	
	Recoveries of prior year obligations	—	$ -	$ -	
	Total requirements	**[$42,847]**	**$ 44,499**	**$ 46,849**	**$ 2,350**

* The Preparedness Directorate did not exist prior to FY 2006. For comparison purposes, FY 2005 is an estimate of actuals.

F. Permanent Positions by Grade

Department of Homeland Security
Preparedness Directorate
U.S. Fire Administration
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual* Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	2	2	2	---
Total, EX	---	---	---	---
GS-15	5	5	5	---
GS-14	10	10	10	---
GS-13	42	42	43	1
GS-12	15	15	16	1
GS-11	12	12	12	---
GS-10	---	---	---	---
GS-9	5	5	5	---
GS-8	5	5	5	---
GS-7	13	13	13	---
GS-6	2	2	2	---
GS-5	1	1	1	---
GS-4	---	---	---	---
GS-3	1	1	1	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**113**	**113**	**115**	**2**
Unfilled Positions EOY	8	8		(8)
Total Perm. Employment EOY	105	105	115	10
FTE	**[113]**	**113**	**114**	**1**
Headquarters	113	113	115	2
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	**[113]**	**113**	**115**	**2**
Average ES Salary	[$192,562]	$ 195,892	$ 200,985	$ 5,093
Average GS Salary	[$97,819]	$ 99,511	$ 102,076	$ 2,565
Average GS Grade	12.50	12.50	12.50	---

* The Preparedness Directorate did not exist prior to FY 2006. For comparison purposes, FY 2005 is an estimate of actuals.

G. Capital Investment and Construction Initiative Listing

N/A. There are no capital investments for USFA.

H. PPA Budget Justifications

Department of Homeland Security					
Preparedness Directorate					
U.S. Fire Administration					
Fire Administration					
Funding Schedule					
(Dollars in Thousands)					
		2005	**2006**	**2007**	**2006 to 2007**
PPA: U.S. Fire Administration		**Actual**	**Revised Enacted**	**Request**	**Change**
Object Classes:					
11.1	Perm Positions	$ 7,946	$ 8,275	$ 8,588	$ 313
11.3	Other than perm	$ 122	$ 114	$ 120	$ 6
11.5	Other per comp	$ 167	$ 211	$ 220	$ 9
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ 1,926	$ 2,017	$ 2,093	$ 76
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ 395	$ 391	$ 391	$ -
22.0	Transportation of things	$ 91	$ 71	$ 71	$ -
23.1	GSA rent	$ -	$ -	$ -	$ -
23.2	Other rent	$ 247	$ 644	$ 644	$ -
23.3	Communication, Utilities, and misc charges	$ 2,792	$ 2,170	$ 2,405	$ 235
24.0	Printing	$ 425	$ 697	$ 697	$ -
25.1	Advisory & Assistance Services	$ -	$ -	$ -	$ -
25.2	Other Services	$ 10,564	$ 14,833	$ 16,605	$ 1,772
25.3	Purchase from Govt. Accts.	$ 2,170	$ 2,522	$ 2,522	$ -
25.4	Operation & maintenance of facilities	$ 8,286	$ 5,120	$ 5,120	$ -
25.5	Research & Development	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ 131	$ 6	$ 6	$ -
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ 755	$ 908	$ 908	$ -
31.0	Equipment	$ 1,110	$ 459	$ 459	$ -
32.0	Land & Structures	$ 1,086	$ 1,471	$ 1,471	$ -
41.0	Grants/Subsidies/Contributions	$ 4,634	$ 4,590	$ 4,530	$ (60)
42.0	Indemnity	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
	Total, U.S. Fire Administration	**[$42,847]**	**$ 44,499**	**$ 46,849**	**$ 2,350**
Full Time Equivalents		[113]	113	114	1
Note: Totals may not add due to rounding to the nearest thousand dollars.					
* The Preparedness Directorate did not exist prior to FY 2006. For purposes of comparability only, FY 2005 is an estimate of actuals.					
PPA Mission Statement					
The mission of The United States Fire Administration (USFA) is to reduce life and economic losses due to fire and related emergencies, through leadership, coordination, and support and also to prepare the Nation's first responder and health care leaders through ongoing and when necessary, expedited training regarding how to evaluate and minimize community risk, improve protection to critical infrastructure, and be better prepared to react to all hazard and terrorism emergencies of all kinds.					

Summary Justification and Explanation of Changes				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Salaries and Benefits	$10,161	$10,617	$11,020	$403
Salaries and Benefits includes costs for 113 FTEs in FY 2006 and 114 FTEs in FY 2007. The FY 2007 request includes an increase of $207,032 for the proposed January 2007 2.2 percent increase in personnel compensation, $149,900 for an additional FTE to help with course materials, and 46,070 in non-pay inflation				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Travel	$395	$391	$391	$0
Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations.				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Transportation of Things	$91	$71	$71	$0
Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Other Rent	$247	$644	$644	$0
Other rent includes all payments to a non-federal source for rental space, land, and structures.				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Communication, Utilities, and miscellaneous charges	$2,792	$2,170	$2,405	$235
Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases for class communication materials and utilities $198,110 and non-pay inflation $36,890.				

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Printing	$425	$697	$697	$0
Printing includes all costs for printing and reproduction obtained from the private sector or from other federal entitities.				

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Other Services	$10,564	$14,833	16,605	$1,772
Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $620,000 in non-pay inflation and $1,152,000 in Program Increases.				

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Purchase from Government Accounts	$2,170	$2,522	$2,522	$0
Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified.				

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Operation & maintenance of facilities	$8,286	$5,120	$5,120	$0
Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another federal government account.				

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Operation & Maintenance of equipment	$131	$6	$6	$0
Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another federal government account.				

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Supplies & materials	$755	$908	$908	$0
Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property.				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Equipment	$1,110	$459	$459	$0
Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Land & Structures	$1,086	$1,471	$1,471	$0
Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements.				
	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Grants/Subsidies/Contributions	$4,634	$4,590	$4,530	($60)
Grants/Subsidies/Contributions includes cash payments to states, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The FY2007 request includes a decrease of $60,000.				

I. Schedule of Working Capital Fund

Department of Homeland Security				
Preparedness Directorate				
U.S. Fire Administration				
FY 2007 Schedule of Working Capital Fund by Program/Project Activity				
(Dollars in Thousands)				
Program/Project Activity	FY 2005 Actual* AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
U.S. Fire Administration		$1,075	$1,019	-$57
Total Working Capital Fund	**$0**	**$1,075**	**$1,019**	**($57)**

* The Preparedness Directorate did not exist prior to FY 2006. FY 2005 Working Capital Fund numbers for USFA not available.

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Department of Homeland Security

Preparedness Directorate

Infrastructure Protection and Information Security



Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Preparedness Directorate
Infrastructure Protection and Information Security

I. Appropriation Overview

A. Mission Statement for Infrastructure Protection and Information Security:
The Infrastructure Protection and Information Security (IPIS) appropriation funds the office of the Assistant Secretary for Infrastructure Protection and the office of the Assistant Secretary for Cyber Security and Telecommunications.

Office of the Assistant Secretary for Infrastructure Protection:
The Office of Infrastructure Protection (IP) reduces the vulnerability of the Nation's Critical Infrastructures and Key Resources (CI/KR) to terrorist and natural disasters, enables timely protective response to threats and incidents, and enable rapid recovery in the aftermath of such disasters. IP functions include: (1) Leading, integrating, and coordinating implementation of efforts among federal departments and agencies, state and local governments, international partners and the private sector to protect the Nation's CI/KR; (2) Ensuring analysis of the linkages between threats, vulnerabilities, and potential consequences to enable risk-based protective measures; (3) Ensuring maintenance of a sector governance and information sharing framework to facilitate coordination and collaboration for infrastructure protection; (4) Ensuring development of a National Infrastructure Protection Plan and mechanisms for complementing protective response under the National Response Plan (NRP); (5) Establishing and maintaining international programs to promote a global culture for the protection of CI/KR; and (6) Providing operational support to government and private entities in response to significant threats and incidents.

Office of the Assistant Secretary for Cyber Security and Telecommunications:
The Office of Cyber Security and Telecommunications reduces the risk to the vulnerability of the Nation's telecommunications and information technology infrastructures, enables timely response and recovery under all circumstances, including both natural disaster and terrorist related disruptions, and coordinates the planning for and provision of national security and emergency preparedness (NS/EP) communications for the Federal Government. Functions include: (1) Oversee the development of a national telecommunications structure that is responsive to national security and emergency preparedness needs of the Nation; (2) Ensure the provision of a national cyber response system to prevent, detect, respond to and reconstitute rapidly in the event of a cyber incident; (3) Ensure the provision of an industry-Government coordinating center with capabilities to assist in the initiation, coordination, restoration and reconstitution of NS/EP telecommunications services or facilities under all conditions of crisis and emergency; (4) Oversee efforts with the private sector to reduce vulnerabilities and minimize the severity of cyber attacks and develop recommendations for telecommunications architecture to meet current and future national security and emergency preparedness telecommunications requirements; (5) Oversee the development of procedures for the management, allocation, and use of federally owned or leased telecommunications assets under all conditions of crisis or emergency; (6) Ensure the development of a national awareness program and training and education to empower businesses, the general workforce and the general population to

secure their portion of cyberspace; (7) Coordinate with the intelligence and law enforcement communities to identify and reduce threats to cyber space; (8) Provide technical and analytical expertise and staff support to the National Security Telecommunications Advisory Committee responsible under Executive Order 12382 to provide information and advice to the President; (9) Oversee the conduct of technical studies and, in partnership with the Science and Technology Directorate, coordinate and review research and development efforts to support work in the telecommunications and cyber security arenas; (10) Ensure the conduct of test and exercise programs in the telecommunications and cyber security area to evaluate the robustness of incident management and recovery plans and programs.

B. Budget Activities:

Management and Administration (M&A)

IPIS M&A was appropriated $82,509,000 in FY 2006. The M&A appropriation funds the salary and administrative costs for the IPIS programs. The salary costs include the FTE salary and locality pay, including benefits and awards. The administrative costs for IPIS include non-GSA rent, facilities fit out, office supplies and training expenses. Additionally, the administrative costs include support from the Office of the Under Secretary, including the CIO, Business Operations Office, Front Office and Administrative Operations.

Infrastructure Protection

Critical Infrastructure Outreach and Partnerships (CIOP) - CIOP was appropriated $111,055,000 in FY 2006, including $49,500,000 for the National Center for Critical Information Processing and Storage (NCCIPS). These funds are used develop and maintain an organizational structure, operational tools and defined processes to assure a continuous state of awareness and alert. A robust organizational framework in support of all stakeholders facilitates the identification, prioritization, coordination, and protection of critical infrastructures/key resources. It also provides forums and networks to encourage sharing of information about threats, vulnerabilities, incidents, potential protective measures, and best practices that enhance response, mitigation and restoration activities.

Critical Infrastructure Identification and Evaluation (CIIE) - CIIE was appropriated $67,815,000 in FY 2006. CIIE carries out vulnerability assessments of critical infrastructure and key assets of the United States, and communicates standards to the infrastructure owners and key stakeholders. CIIE collects, verifies, and analyzes vulnerability and protective measure information on critical infrastructure and key assets from private sector owners and operators, public sector owners and operators, regulatory agencies within the Federal Government, and state and local governments so that protective measures can be prioritized.

National Infrastructure Simulation and Analysis Center (NISAC) - NISAC was appropriated $19,800,000 in FY 2006. These funds are used to provide a comprehensive modeling and simulation capability to perform an analysis of critical infrastructures, their interdependencies, complexities, and the consequences of disturbances. NISAC promotes nationwide involvement in infrastructure-related modeling analysis by enabling contributions from a wide range of sources and supports consequence mitigation strategy development by predicting the cascading effects of potential operational disruptions to U.S. infrastructure.

Biosurveillance (BIO) - Biosurveillance was appropriated $13,959,000 in FY 2006. These funds are used to improve the Federal Government's capability to rapidly identify and characterize a potential bioterrorist attack by enhancing ongoing surveillance and analysis capabilities in areas such as human

health, hospital preparedness, state and local preparedness, vaccine research and procurement, animal health, food and agricultural safety, and environmental monitoring. This interagency initiative promotes data sharing and joint analysis at the federal, b, local, and tribal levels. The preparedness portion of this effort involves the integration of current and new efforts into a comprehensive system that provides a real-time operating picture. This national Biosurveillance system will help shape current and proposed disease surveillance systems and guide research and development of technologies and capabilities.

Protective Actions (PA) - Protective Actions was appropriated $90,485,000 in FY 2006. These funds are used to assist federal, state, local, tribal, and private sector organization in devising protection strategies, programs, and best practices. Training is also provided to infrastructure owners and operators and the local law enforcement entities that help protect them. Best practice activities reduce the vulnerability of and coordinate the protection of critical infrastructure and key resources. Critical infrastructure and key resources provide the essential services that underpin American society and must be protected.

Chemical Stockpile Emergency Preparedness Program (CSEPP) - Through CSEPP, Preparedness Operations will enhance existing local, installation, tribal, and state capabilities to protect the health and safety of the public, workforce, and the environment from the effects of a chemical accident or incident involving the eight United States Army chemical stockpile sites. The funding for this program is provided through a reimbursable agreement with the Department of the Army.

Cyber Security and Telecommunications

Cyber Security (CS) – CS was appropriated $92,415,000 in FY2006. These funds are used to work collaboratively with public, private, and international entities to secure cyberspace and America's cyber assets. The strategic goals of National Cyber Security Division (NCSD) are as follows: (1) establish a national Cyberspace Security Response System to prevent, detect, respond to, and reconstitute rapidly after cyber incidents; (2) work with public and private sectors to reduce vulnerabilities and minimize the severity of cyber attacks; (3) promote a comprehensive national awareness program to empower all Americans—businesses, the general workforce, and the general population to secure their own parts of cyberspace; (4) foster adequate training and education programs to support the Nation's cyber security needs; (5) coordinate with the intelligence and law enforcement communities to identify and reduce threats to cyber space; and (6) build a world-class organization that aggressively advances its cyber security mission and goals in partnership with its public and private stakeholders.

National Security / Emergency Preparedness (NS/EP) Telecommunications - NS/EP Telecommunications was appropriated $141,206,000 in FY2006. These funds are used to provide mission-critical communications for federal, state and local governments, and private industry through the following functions: (1) Administering the National Coordinating Center for Telecommunications to facilitate the initiation, coordination, restoration and reconstitution of NE/EP Telecommunications services or facilities under all circumstances; (2) Developing and ensuring the implementation of plans and programs that support telecommunications infrastructure hardness, redundancy, mobility, connectivity and security; and (3) Serving as the focal point for joint industry - Government and interagency NS/EP telecommunications planning and partnerships.

C. Budget Request Summary:

Infrastructure Protection and Information Security requests 445 positions, 445 FTE, and $549,140,000 for FY 2007, a decrease of $70,104,000 over the FY 2006 appropriation of 445 FTE and $619,244,000. The total net base decrease is $115,104,000. Within this total, Preparedness and the Department have identified critical enhancements to existing programs (e.g., program increases) and prioritized new undertakings to accomplish its mission. The two new initiatives are:

1. NIPP Program Office, an enhancement of $35,000,000 to carry out responsibilities and tasks under Homeland Security Presidential Directive 7 and the National Infrastructure Protection Plan.
2. Chemical Security Office, $10,000,000 to enhance chemical site security for inspectors and administrative/overhead costs.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual*		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Management and Administration (M&A)	0	$ -	445	$ 82,509	445	$ 84,650	0	$ 2,141	0	$ -	0	$ 2,141
Critical Infrastructure Outreach and Partnership (CIOP)	0	$ 98,254	0	$ 111,055	0	$ 101,100	0	$ (9,955)	0	$ 35,000	0	$ (44,955)
Critical Infrastructure Identification and Evaluation (CIIE)	0	$ 43,684	0	$ 67,815	0	$ 71,631	0	$ 3,816	0	$ -	0	$ 3,816
National Infrastructure Simulation and Analysis Center (NISAC)	0	$ 20,000	0	$ 19,800	0	$ 16,021	0	$ (3,779)	0	$ -	0	$ (3,779)
Biosurveillance (BIO)	0	$ 1,569	0	$ 13,959	0	$ 8,218	0	$ (5,741)	0	$ -	0	$ (5,741)
Protective Actions (PA)	0	$ 149,868	0	$ 90,485	0	$ 32,043	0	$ (58,442)	0	$ 10,000	0	$ (68,442)
Cyber Security (CS)	0	$ 54,205	0	$ 92,415	0	$ 92,205	0	$ (210)	0	$ -	0	$ (210)
NS/EP Telecommunications (NSEP)	0	$ 137,523	0	$ 141,206	0	$ 143,272	0	$ 2,066	0	$ -	0	$ 2,066
Subtotal, Enacted Appropriations and Budget Estimates	**0**	**N/A**	**445**	**$ 619,244**	**445**	**$ 549,140**	**0**	**$ (70,104)**	**0**	**$ 45,000**	**0**	**$ (115,104)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**0**	**N/A**	**445**	**$ 619,244**	**445**	**$ 549,140**	**0**	**$ (70,104)**	**0**	**$ 45,000**	**0**	**$ (115,104)**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the IAIP legacy agency.

III. Current Services Program Description by PPA

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: Management and Administration (M&A)

	Perm Pos	FTE	Amount
2005 Actual*	...	...	...
2006 Revised Enacted	**445**	**445**	**$82,509**
2007 Adjustments-to-Base	...	...	2,141
2007 Current Services	**445**	**445**	**$84,650**
2007 Program Change	...	...	...
2007 Request	**445**	**445**	**$84,650**
Total Change 2006-2007	...	...	2,141

* The Preparedness Directorate did not exist prior to FY 2006. FY 2005 M&A was appropriated in the Information Analysis and Infrastructure Protection account, however, the amount is not comparable. Please see the Department Overview section of the Budget for FY 2005 actuals from the legacy IAIP account.

The Preparedness Directorate requests $84,650,000 for M&A. This is an increase of $2,141,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The M&A appropriation funds the salary and administrative costs for the IPIS programs. The salary costs include the FTE salary and locality pay, including benefits and awards. The administrative costs for IPIS include non-GSA rent, facilities fit out, office supplies, training and travel expenses. A portion of the DHS working capital fund items that are directly correlated to the FTE are funded out of M&A. Additionally, the administrative costs include support from the Office of the Under Secretary, including the CIO, Business Operations office, Front Office and Administrative Operations.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: Critical Infrastructure Outreach and Partnerships (CIOP)

	Perm Pos	FTE	Amount
2005 Actual*	...	...	**$98,254**
2006 Revised Enacted	...	...	**$111,055**
2007 Adjustments-to-Base	...	...	(44,955)
2007 Current Services	...	...	**$66,100**
2007 Program Change	...	...	35,000
2007 Request	...	...	**$101,100**
Total Change 2006-2007	...	...	(9,955)

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

The Preparedness Directorate requests $101,100,000 for CIOP. This is a decrease of $9,955,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
CIOP is critical to the support and development of strategic partnerships between DHS and its stakeholders across federal, state and local governments, private industry and international communities. The development and maintenance of an organizational structure, operational tools and defined processes are essential to assuring a continuous state of awareness. A robust organizational framework in support of all stakeholders facilitates the identification, prioritization, coordination, and protection of critical infrastructures/key resources. It also provides forums and networks to encourage sharing of information about threats, vulnerabilities, incidents, potential protective measures, and best practices that enhance response, mitigation and restoration activities.
CIOP funds are distributed among the Risk Management Division (RMD), Contingency Planning & Support Division (CPSD), Infrastructure Partnership Division (IPD), and the Office of Infrastructure Protection (OIP) within the Office of Infrastructure Protection.

Preparedness executes CIOP through the following major subprograms:
- Infrastructure Programs Office (IPO)
- Critical Infrastructure Warning Network (CWIN)
- National Infrastructure Coordination Center (NICC)
- Protected Critical Infrastructure Information (PCII) Program
- Infrastructure Coordination and Analysis Office (ICAO)
- National Infrastructure Protection Plan (NIPP) Policy, Plans & Performance Metrics
- Committee on Foreign-owned Investment in the U.S. (CFIUS) Infrastructure
- Constellation
- Infrastructure Protection Management (IPM)

- National Risk Dashboard

Infrastructure Programs Office (IPO):
IPO supports and facilitates two-way flow of information to assist CI/KR stakeholders in protecting their CI/KR. Activities include:

- Homeland Security Information Network (HSIN): Homeland Security Information Network (HSIN) supports two-way information sharing capability to the 13 Critical Infrastructure and 4 Key Resource sectors. This supports both programmatic development and capability deployment. The sectors see this program as finally a true contribution to the "partnership" by DHS and the government. Several of the sectors and their sector-specific agencies have invested substantial time and energy into working on their part of this program. In addition, in the current threat environment, several sectors have a great desire to expand their reach to members of their sectors for alerts, warnings and advisories through HSIN which they cannot do on their own---a core mutual responsibility with DHS.
- National Infrastructure Advisory Council (NIAC) Support: The National Infrastructure Advisory Council (NIAC) is a Federal Advisory Council that provides policy advice to the President on Critical Infrastructure Protection.
- National Response Plan (NRP) support: The NRP provides the NRP community with technical support and expertise in conjunction with response and recovery activities. It also collects and communicates incident level information, with the DHS IP, and appropriate Information Sharing and Analysis Centers (ISAC).
- Develop and maintain Critical Infrastructure Protection (CIP) Sector Partnership Model: The CIP Model develops and provides support for sector partnership structures and processes, such as the sector and government coordinating councils and their operating requirements, and implementation of cross-sector programs to support the partnerships.

Protected Critical Infrastructure Information (PCII) Program:
The PCII Program collaborates directly with industry to provide critical infrastructure information (CII) that requires protection or may be vulnerable to terrorism. The program builds the automated means to track the receipt, validation, processing, storage, management, and dissemination of PCII to DHS organizations as well as other federal agencies, state and local governments. Essential to the program's success is industry's confidence that information submitted by the private sector will be fully safeguarded. PCII also ensures such safeguards are in place.

National Infrastructure Coordination Center (NICC):
Activities within NICC include:

- Watch Operations and Operations Support: This activity includes maintaining 24x7 NICC operations, both at the Herndon, VA, facility and the IP NICC Desk in the Homeland Security Operations Center (HSOC). The NICC is the primary conduit for sector-related information sharing between the Infrastructure Coordination and Analysis Office, the Homeland Security Operations Center (HSOC), federal agencies, and private-sector partners.
- Continuity of Operations (COOP) planning: In the event that the NICC facility, located in Herndon, VA, is rendered inoperable for any reason, the NIPP will be able to function at an alternate site with appropriate connectivity to all mission-critical systems.
- Training and Exercises: CIOP is responsible for conducting and/or participating in tests and exercises to coordinate sector preparedness and to develop and improve analysis, coordination, and restoration processes. These tests and exercises will be internal and external, and may be conducted

on the national, regional, and local levels, both classified and unclassified. Full implementation of a critical infrastructure exercise program is not expected until FY 2006.

NICC funding also supports the following capabilities:

- Operational Tools – Prizm Development and Data Integration: Prizm is the primary operational tool for the NICC. Prizm includes logging, data-ingest, visualization, and reporting capabilities, and will eventually utilize data mining, data fusion, and other state-of-the-art technologies to assist NICC Operations personnel in assessing the operational status of the critical infrastructures and key resources.
- Operational Tools – Hardware & Software
- Operational Tools – Data/Information Sources

Infrastructure Coordination and Analysis Office (ICAO):
ICAO provides critical sector expertise to interpret infrastructure relevant threats, develop and support situational assessments, and enable owners/operators to conduct risk evaluations.
Activities include:

- Building/Sustaining Public – Private Partnerships & Info. Sharing Programs: This subprogram will: 1) Build/maintain partnerships with infrastructure owners/operators and government agencies with CIP responsibilities and 2) Develop/support/maintain information-sharing programs with sector stakeholders
- Geospatial: This program provides geospatial mapping, imaging, analysis, and sorting of the critical infrastructure sectors (CI) and key resources (KR) to support collection and review of the Nation's infrastructures. The IT geospatial capability will assist in maintaining operational, situational, and strategic awareness of the CI/KR. This IT will enable decision makers to understand and respond to adverse events and justifications.

Critical Infrastructure Warning Network (CWIN):
CWIN is survivable network connecting DHS with essential sectors that restore the Nation's infrastructure during emergencies (electricity, IT and telecom); states' Homeland Security Advisors; and Sector-specific Agencies and resources for each of the critical infrastructure sectors.

National Infrastructure Protection Plan (NIPP) Policy, Plans & Performance Metrics: HSPD-7 (Critical Infrastructure Identification, Prioritization and Protection) requires DHS to produce a comprehensive, integrated National Plan for Critical Infrastructure and Key Resources protection. The NIPP provides the framework and sets the direction for implementing a coordinated, national infrastructure protection effort and is based upon a risk management framework. The comprehensive NIPP will be supported by Activities include:

- Manage the development and broad implementation of the National Infrastructure Protection Plan
- Oversee the development of Sector-Specific Plans that will detail the application of the risk management framework to each of the 17 specific CI/KR sectors.
- Lead cross-cutting IP policy analysis, development, and implementation on behalf of IP through coordination with all appropriate stakeholders.
- Provide contractor support for management and leadership function of the IP front office.
- Provide IP with HR, Facilities Mgmt, Budget and IP Performance Management support and oversight.

Committee on Foreign-owned Investment in the U.S. (CFIUS) Infrastructure:

The CFIUS responsibilities of DHS will be transferred from Preparedness to Policy in FY 2007. As a member of the Committee on Foreign Investment in the United States (CFIUS), DHS is responsible for evaluating foreign ownership, control and influence (FOCI) of U.S. companies in accordance with the Exon-Florio Amendment to the Defense Production Act of 1950 (50 App. U.S.C. § 2170) to determine whether a proposed transaction poses a threat to national security.

Constellation:
Constellation addresses DHS's critical infrastructure protection mandate at the local level through an automation system hosted and used by law enforcement and first responders. This system combines an information portal for situational awareness along with a comprehensive Automated Critical Asset Management System (ACAMS). Constellation ACAMS is used by local law enforcement and first responders to inventory, categorize, prioritize, and database critical assets. It includes a workflow and tool set that enables localities to implement a complete program for critical asset management. These tools include a risk assessment system developed to DHS PREPAREDNESS standards, database elements compatible with the National Asset Database, and a fully realized reporting subsystem that enables automated production of Buffer Zone Protection Plans.

Infrastructure Protection Management (IPM):
IPM provides support for the management and leadership needs of the IP front office.

National Risk Dashboard
IP is developing a systematic planning and management tool (the "Dashboard Navigator") that will allow DHS management to identify and evaluate, at the strategic level, the current Readiness of prevention, protection, response and recovery systems within DHS, other federal agencies, and state, local, tribal governments to include the private sector. The purpose for having such a tool is to allow DHS management to identify, in greater depth, the current Readiness of the 17 sectors to respond to various threats.

Dashboard will be refined and extended to subsectors to fuse threat streams with critical infrastructure/key resource assets, vulnerability information and consequences. The refinements to the National Risk Dashboard will permit more targeted and efficient protective strategy development as well as provide an integrated view of national, regional, state and local threats, vulnerabilities, consequences and risk. Dashboard uses IP's risk determination methodology and visually presents a risk profile for critical infrastructure assets.

The following is a description of the CIOP program accomplishments and goals:

In FY 2005, CIOP had the following accomplishments:
- Expanded the HSIN-CS to critical infrastructure owners and operators in 11 sectors and major sub-sectors.
- Implemented the Critical Infrastructure Act of 2002 through PCII Program Office in accordance with relevant provisions of HSPD-7 and HSPD-9.
- Developed the Sector Partnership Model as a framework for CIP sector and cross-sector partnerships including assessments, identification of gaps and development of an implementation plan.
- Facilitated identification of private Sector Coordinating Councils (SCC) and a cross sector council led and governed by owners and operators.
- Developed Government Coordinating Councils (GCC) and the NIPP Senior Leadership Council.

- Continued support of the National Infrastructure Advisory Council, including delivery of reports and recommendations.
- Datacenter: Initiated computer hosting of departmental applications, network connectivity, and critical data storage.
- Completed issuance and implementation of the interim NIPP; continued to work stakeholder outreach and engagement, refined the draft sector specific plans, and measured and reported on national and sector-section progress.
- Expanded CWIN to all 50 states and the District of Columbia.
- Established the NICC as the 24X7 customer service interface for CI/KR partners.

In FY 2006, CIOP is planning to accomplish the following goals:
- Issue 6 CFR Part 29, Final Rule, "Procedures for Handling Critical Infrastructure Information (CII)".
- Accredit sector-specific federal entities and selected state and local entities to use and store PCII information, and implement the web-based training for PCII Officers and PCII users.
- Implement full operating capability for accepting electronic CII submissions.
- Significantly increase the number of submissions of CII through outreach to federal, state, local and private sector stakeholders.
- Enhance and streamline NICC procedures, reporting practices and supporting technologies to improve situational awareness.
- Continue NICC support of private sector partners' continuity of business information requirements through improved information sharing processes.
- Develop and implement NICC Prizm, HSIN-CS and Geospatial integration plans.
- Complete development of National Response Plan private sector support Concept of Operations.
- Fully implement Sector Partnership Model.
- Deploy HSIN-CS to all 17 critical infrastructure sectors and major sub-sectors.
- Ensure compatibility with the DHS Enterprise Architecture as Constellation System is moving from a pilot to an operational phase.
- Project Constellation - obtain FISMA and PCII compliance with protocols.
- Develop data flow from local Constellation ACAMS systems to national systems such as the NADB and HSIN.
- Chair CFIUS Vulnerability and Risk Assessment Standing Committees.
- Provide oversight/management of CFIUS security agreements; performing names checks, sponsoring clearances (when required by the agreement) and coordinating USG interactions with the companies.
- Complete and issue the National Infrastructure Protection Plan (Base Plan).
- Sector-specific Plans - Sector-specific agencies submit initial supporting plans for review and coordination among sector partners.
- CWIN to maintain 141 remote sites connecting DHS to federal, state, local and selected private sector critical infrastructure subscribers to a survivable communications network.
- Refine Office of Infrastructure Protection planning guidance and develop long-term strategic plan.

In FY 2007, CIOP is planning to accomplish the following goals:
- Begin oversight site visits and evaluations to accredited entities to ensure adherence to PCII program guidance.
- Expand the PCII Accreditation Program to all remaining federal, state, and local entities with a need to access and store PCII.

- Based on lessons learned and operational requirements, revise and publish the PCII Program Manual.
- Expand HSIN-CS in all CI/KR sectors, both in terms of numbers of sub-sectors, and numbers of users within each sector.
- Revise NIPP (Base Plan) as necessary based on experiential data and guidance.
- Finalize and coordinate implementation of sector-specific plans.
- Support sector plan implementation initiatives to further sector engagement, coordination and protection.
- Finalize NIPP performance metrics.
- CWIN operation expanded to territorial sites and other critical sectors.
- Deployment of Constellation to diverse urban areas implementing approach to local critical asset management.
- Support rollouts beyond the Los Angeles pilot system to service in other cities.
- Expand pilots to other critical infrastructure and private sector entities and their local law enforcement partners.
- Incorporate feedback from pilot private sector participants.
- Develop technical plan and implement integration with other DHS national-level systems.
- Integrate information developed from Constellation into National Baseline Risk Assessment.
- Conduct Exercises between federal, state and local, and private sector stakeholders.

Net Base Changes:
The total net base reduction is $44,955,000.

Base Decreases: Description of Item
FY 2006 base funding for the National Center for Critical Information Processing and Storage (NCCIPS), $49,500,000, is not being requested in FY 2007 in CIOP.

FY 2006 base funding of $1,650,000 for CFIUS is transferring to Policy.

Justification
This realignment reflects an adjustment of infrastructure protection funds to better align IP activities with program strategic goals and objectives.

Base Increase: Description of Item
FY 2007 funding of $4,000,000 for NIPP Program Management is being realigned from Protective Actions to CIOP.

FY 2007 funding includes $2,195,000 for technical programmatic increases.

Justification
This realignment is to better align IP activities with program strategic goals and objectives.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: Critical Infrastructure Identification and Evaluation (CIIE)

	Perm Pos	FTE	Amount
2005 Actual*	...	...	**$43,684**
2006 Revised Enacted	...	...	**$67,815**
2007 Adjustments-to-Base	...	...	3,816
2007 Current Services	...	...	**$71,631**
2007 Program Change	...	...	...
2007 Request	...	...	**$71,631**
Total Change 2006-2007	...	...	3,816

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

The Preparedness Directorate requests $71,631,000 for Critical Infrastructure Identification and Evaluation. This is an increase of $3,816,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
CIIE funds are distributed among the Homeland Infrastructure Threat and Risk Analysis Center (HITRAC), Risk Management Division (RMD), and Contingency Planning and Support Division (CPSD) within the Office of Infrastructure Protection.

Preparedness executes CIIE through the following major subprograms:
- Reduce Vulnerabilities in Control Systems
- Strategic Activities
- Vulnerability Assessments
- Field Operations and Support
- Infrastructure Information, Identification, Integration, and Analysis (I4A)

The **Reduce Vulnerabilities in Control Systems** subprogram is funded by CIIE. However, the actual execution of this program takes place in the National Cyber Security Division. The program description is included in the Cyber Security Program portion of this document.

The **Strategic Activities** sub-program supports the Risk Analysis and Management for Critical Asset Protection (RAMCAP) program, the Vulnerability identification Self Assessment Tool (ViSAT), and Strategic Activity Analysis.

- The RAMCAP program is central to the Office of Infrastructure Protection's strategic risk analysis activities, and was developed to reduce risk for catastrophic attacks, reduce consequences of successful attacks, improve security planning for the development of future Critical

Infrastructure/Key Resources (CI/KR), and provide a common risk assessment methodology to evaluate risk across all infrastructure sectors. Specifically, the program will develop general vulnerability and risk assessment guidelines that can be used as the basis for vulnerability and risk assessments on assets in all CI/KR sectors. Additionally, the program will develop assessment guidelines that can then be used to compare assets from different sectors and will allow the prioritization for protection of our nation's CI/KR. Sector and segment specific RAMCAP top screens and modules will provide the Preparedness Directorate with the site-specific consequence and vulnerability data necessary to compare risk across sectors.

- ViSAT is a less complex risk assessment tool, originally developed by the Transportation Security Administration (TSA) that has been adapted for use as a self-assessment tool for managers of stadiums, arenas, and convention centers. ViSAT provides owners/operators with a no-cost easy-to-use means of assessing the effectiveness of their facility's current security system and identifying areas in need of improvement. Creation of additional modules is planned for other soft targets such as performing arts centers, retail centers, schools, office buildings, and religious centers.

- The Strategic Activities Analysis is designed to facilitate efforts to manage CI/KR risks over the long term, and review the appropriate tools and resources to guide mitigation strategies, and prioritize the allocation of finite federal resources to those mitigation strategies. The Preparedness Directorate is tasked to work with federal and private sector partners to identify CI/KR and is uniquely positioned to bring together information on threat streams, serving as the nexus for intersecting critical information and key participants. This analysis is completed by the Homeland Threat and Risk Analysis Center (HITRAC), which merges the Department's infrastructure expertise with intelligence analysts to map terrorist threats to infrastructure vulnerabilities. . HITRAC was created to integrate, analyze and share information regarding the risks of terrorist attacks to U.S. infrastructure for customers in DHS, other federal departments and agencies, the Intelligence Community (IC), state and local governments and law enforcement agencies, and the private sector.

The **Vulnerability Assessments** sub-program includes Vulnerability Field Assessment teams, the Vulnerability Assessment Comprehensive Review (CR), and support activities.

- The Vulnerability Field Assessment team conducts site visits to assist facility owners and operators and state and local law enforcement agencies in identifying vulnerabilities in all 17 infrastructure sectors including the nuclear, chemical, and commercial assets, dams, and emergency services sectors. The tools used to gather and catalog national critical infrastructure and key resource CI/KR vulnerability information include web-based self-assessment tools developed and deployed by the team. The unclassified information collected is disseminated to federal, state, local, tribal, and private sector stakeholders and classified information is provided to authorized owners and operators. The information collected is used as an input into the Strategic Risk Assessment process.
- The Vulnerability Assessment Comprehensive Review (CR) takes an in-depth, multi-agency approach to analyzing vulnerabilities at critical infrastructure assets and systems and identifying appropriate protective measures to address them. These CRs focus on individual sectors and include individual facilities in geographic isolation or groups of facilities in relative proximity to each other. Interagency teams comprised of appropriate federal, state, local and private sector stakeholders analyze vulnerability, consequence, and threat information, conduct site visits as

appropriate, and work collaboratively to develop mitigation strategies that protect the assets and surrounding communities.
- The Vulnerability Field Assessment support activities provide logistical support for vulnerability identification fieldwork and other support as requested by outside agencies conducting assessments.

The **Field Operations and Support** sub-program includes the Protect National Security Special Events and Other Special Events Program, Protective Security Advisors, the Tactical Operations Support team, and Headquarter Analysis and Field Support activities.

- The Protect National Security Special Events and Other Special Events program performs identification of critical infrastructure and operational characteristics for special events. The program team interfaces with federal, state, and local interagency representatives on infrastructure protection issues and advises the Principal Federal Official (PFO) on infrastructure protection-related issues in the affected area.
- Protective Security Advisors (PSA) convey threat advisories and specify warning information and guidance on appropriate protective measures and countermeasures to the community they serve. PSAs also assist in the verification of critical assets, coordinate efforts with local asset owners/operators and local law enforcement personnel, provide expert advice, ensure validation of protective measures, and enhance the proper coordination/communication structure between federal and local protection officials regarding critical infrastructure protection.
- The Tactical Operations Support team deploys PSAs with the PFO to provide infrastructure expertise and responds to requests for support, e.g., deploying Site Assistance Visits and Buffer Zone Protection Plans, and provides Radiological Detection Device training and distribution. The team uses systems compliant with the National Incident Management System (NIMS) and tracks developing incidents, monitors response activities, and coordinates with other offices as the central point of contact for critical infrastructure protection during incidents.
- Headquarters Analysis and Field Support activities provide timely site-specific "At Risk" Infrastructure Information to maintain operational awareness at HQ and for the PSAs in the field regarding infrastructure-related threats. The infrastructure information comes from a number of watch desks, including the Homeland Security Operations Center (HSOC) and the Transportation Security Operations Center (TSOC).

The Infrastructure Information, Identification, Integration, and Analysis (I4A) subprogram includes the National Asset Database (NADB) and the Protective Security Analysis Capability (PSAC).

- The NADB serves as the foundation for developing programmatic focus for various DHS initiatives. The database compiles a detailed inventory of the nation's CI/KR. The NADB will deliver the Risk/Readiness Dashboard to DHS management, allowing at a glance, easy to understand Risk/Readiness CI/KR profiles. Real-time knowledge of the Nation's risk/readiness profile will support rapid decision-making for asset allocation during periods of heightened threats and for routine programmatic planning. Additionally, the information available from this system will be user friendly and in a format easily communicated and understood at all levels of government, the private sector, and the public.
- The Protective Security Analysis Capability (PSAC) supports the integration of activities required for national strategy for protective actions execution. The Center concept focuses on tasks falling into five core functional areas: planning, coverage, integration, technology, and training/readiness.

The PSAC supports the NADB by populating and analyzing data streams, integrating spatial infrastructure data concerning dependencies, integrating and analyzing national laboratory information supporting Preparedness Directorate program and operations, and integrating analytical engines and the Dashboard. The PSAC team of technical experts provides analytical capabilities and facilitates operational planning. The team supports the development and maintenance of a fully integrated architecture to support real-time 24/7 situational awareness and protective security capabilities.

The following is a description of the CIIE program accomplishments and goals:

In FY 2005, CIIE has made the following accomplishments:

- The Strategic Activities RAMCAP program employs subject matter experts to combine NADB and RAMCAP information to develop qualitative and tactical risk profiles as more sophisticated tools are being built. In FY 2005, the RAMCAP program team developed the modules for the chemical, nuclear, and liquefied natural gas sectors used during the 2005 Hurricane season.
- The Vulnerability Assessments program provides infrastructure specialists in coordination with local law enforcement to identify specific asset vulnerabilities by conducting Site Assistance Visits (SAV). Teams conducted 200 SAVs in FY 2005.
- The Vulnerability Field Assessments Team revised and reissued 99 PM reports and refreshed 50 Characteristics and Common Vulnerabilities / Potential Indicators of Terrorist Activity (CV/PI) reports.
- The Vulnerability Assessments team deployed the Vulnerability Identification Self Assessment Tool (ViSAT) to raise the level of security in public assembly facilities across the Nation. The ViSAT tool was modeled after a self-assessment tool used by the Transportation Security Administration (TSA). Modules were completed for stadiums and arenas.
- The Vulnerability Assessments, Field Assessments program completed all planned reviews of critical functions and services.
- The Vulnerability Assessments Comprehensive Review (CR) team completed 10 Nuclear Power Plant (NPP) CR site visits, completed preparation (pre-site) for three additional NPP sites. The team completed the integrated protective measures plan (IPMP) for six NPP sites and completed three NPP comprehensive review reports. The CR team identified potential Chemical Facility CR sites, confirmed a pilot site location, and completed preparations for initial site visits. The team also developed a Concept of Operations Plan for the Chemical Sector.
- The I4A National Asset Database content was expanded to 77,000 assets. The NADB team contacted representatives from 50 states and six territories; reviewed and researched the existing federal agency databases and licensed or purchased commercial and private databases to refine the list of NADB assets.
- The NIPP and Sector Specific Agency Management program performed SSA functions for five CI/KR Sectors (Chemical, Nuclear, Commercial Facilities, Dams, and Emergency Services) and provided guidance to all 17 SSAs on asset identification and risk assessment, including consequence vulnerability and threat assessment.
- The NIPP and Sector Specific Agency Management program co-chaired the NIPP risk management and protective measures working group. This group coordinates reporting on protective measures as part of the 2005 Interagency Security Plan , the Strategic Threat and Action Report, and the Petroleum Security Working Group.

- The first generation NADB has facilitated the identification and organization of CI/KR, such as nuclear power plants, chemical sites in or near high concentrations of people, and highly traveled bridges, ports, and financial institutions.
- Created with the Office of Intelligence and Analysis a joint fusion center, HITRAC, to integrate, analyze and share information regarding the risks of terrorist attacks to U.S. infrastructure.

In FY 2006, CIIE plans to accomplish the following goals:
- The RAMCAP program anticipates adding up to eight additional sector modules.
- The Vulnerability Assessments team will conduct 150 SAVs in FY 2006.
- The Vulnerability Field Assessments Team will revise and reissue 99 PM reports and will refresh 50 CV/PI reports. Additional PM reports will be developed as required.
- The Vulnerability Field Assessments program will develop the ViSAT self-assessment tool for additional sectors to establish a baseline that identifies the strengths of current sector security programs, and identifies areas requiring improvement. The tool will facilitate the prioritization of a facility's required security enhancements. Modules scheduled for completion in FY2006 include convention centers, speedways, performing arts centers, K-12 schools, office buildings – urban, office buildings – suburban, religious centers, and postal & shipping retail centers.
- The Vulnerability Assessments CR team will complete CR analyses for all NPPs and associated facilities by the end of FY 2006.
- The Vulnerability Assessments CR team will conduct Chemical Sector CR analyses in FY 2006.
- Complete strategic Sector Risk Assessments for all sectors and key sub-sectors.

In FY 2007, CIIE intends to accomplish the following goals:
- The RAMCAP program will add up to 28 additional sector modules.
- The Vulnerability Assessments team will conduct 150 SAVs in FY 2007.
- The Vulnerability Field Assessments Team will revise and reissue PM reports and will refresh CV/PI reports. Additional PM reports will be developed as required.
- The Vulnerability Field Assessments will continue to conduct Rapid Response Visits (R2Vs), site vulnerability assessment tools designed to provide timely site with little advanced notice in response to outside threats and other stimuli.
- ViSAT modules are scheduled to be completed for postal and shipping distribution centers and maintenance facilities, hospital sub modules (1) and (2), colleges and universities, and day care centers. Modules for emergency services and amusement parks are also under consideration.
- The Vulnerability Field Assessments CR team will complete the Chemical CRs by the end of FY 2007.
- Completed updated Sector Risk Assessments for all sectors and key sub-sectors.

Net Base Changes:
The total net base increase is $3,816,000. This includes a transfer in of $4,000,000 and a technical programmatic reduction of $184,000.

Base Increase: Description of Item
FY 2006 base funding for Control Systems Vulnerability, Risk Identification and Protection, $4,000,000, was realigned from PA to CIIE. The program is executed in conjunction with Cyber Security and the description of current services describes the program mission and purpose.

Justification

This realignment reflects an adjustment of infrastructure protection funds to better align IP activities with program strategic goals and objectives.

Department of Homeland Security

Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: National Infrastructure Simulation and Analysis Center (NISAC)

	Perm Pos	FTE	Amount
2005 Actual*	...	...	**$20,000**
2006 Enacted	...	...	**$19,800**
2007 Adjustments-to-Base	...	...	(3,779)
2007 Current Services	...	...	**$16,021**
2007 Program Change	...	...	...
2007 Request	...	...	**$16,021**
Total Change 2006-2007	...	...	(3,779)

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

The Preparedness Directorate requests $16,021,000 for NISAC. This is a decrease of $3,779,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
NISAC funds support the Office of Infrastructure Protection's NISAC facility in Albuquerque, New Mexico.

The NISAC relies on the the following major subprograms to perform its mission:
- Analysis
- Computational
- Methodology

The NISAC Analysis sub-program includes Decision Support System, Infrastructure Program, and Network activities.
- The NISAC Analysis Decision Support System supports the planning and execution of major Homeland Security exercises (e.g., the Top Officials National Exercise (TOPOFF) series). This simulation system represents the current state-of-the-art critical infrastructure modeling and simulation technologies.
- The NISAC Analysis Infrastructure Program facilitates analysis to support the expansion of the NISAC high-fidelity simulations in geospatial extent of coverage, testing and improvement of larger-scale, lower fidelity simulations and better analytical integration.
- The NISAC Analysis Network Activity facilitates the incorporation of more complex strategic behavior into present (and future) simulations that directly impacts the development of simulations within NISAC.

The NISAC Computational sub-program includes Platform and Economics activities.

- The NISAC Computational Platform activity supports Fast Analysis Infrastructure Tool (FAIT) development, knowledge management system testing, improvement and expansion of FAIT usage. Additionally, this program supports collaboration framework testing, system implementation and maintenance.
- The NISAC Computational Economics activity supports the development of the NISAC Agent Based Laboratory for Economics (N-ABLE) Computational Economics Capability to expand the micro-economic analytical capabilities. Additionally, the activity facilitates the simulation of larger, more complicated supply chains, behaviorally driven activities, and the use of the Institutional Computing Cluster (ICC) for high-performance computing and market effects.

The NISAC Methodology sub-program includes Methodology and other Coordination activities.
- The NISAC Methodology activity supports the continued integration of consequence and infrastructure asset data developed in the simulation tasks using the NADB. This function will enable users to review prioritization results and make improvements to the asset/system prioritization for national-level assessments.
- The NISAC Methodology Coordination supports Infrastructure Simulation and Analysis program management activities to ensure technical and programmatic execution, integration, and leadership within the NISAC programs and manages collaboration with external stakeholders.

In FY 2005, NISAC accomplished the following:
- Expanded and deployed interdependency modeling tools for the transportation, communications, banking and finance, chemical, and commercial sectors based on modeling the cities of Chicago, Houston and the Midwest region of the U.S.
- Continued to work with the U.S. Coast Guard (USCG) and U.S. Army Corps of Engineers (USACE) to develop modeling capabilities for studying inland waterways
- Continued to resolve procurement & environmental requirements connected with the Kirtland building to pave the way to begin construction in late CY 2005.
- Continued Urban Infrastructure Model for Houston and initiated study on Los Angeles.

In FY 2006, NISAC plans to accomplish the following goals:
- Develop urban modeling efforts for generic city types and for specific cities.
- Conduct infrastructure modeling efforts for infrastructures that have national or large regional impacts.
- Update the Urban Area Security Initiative (and other risk-based grant programs) selection process with more robust modeling efforts.
- Develop proposal to expand and deploy modeling tools for the transportation sector, chemical sector, electrical generation from fossil fuel and nuclear power, and commercial asset sectors in the cities of Los Angeles, Washington DC, and the Northeast portion of the U.S. focusing on evacuation related events and their consequences.
- Develop proposal and pilot to expand capability of dynamic infrastructure interdependency simulation models to include regional, state, and local analysis.
- Complete construction of the Kirtland building.
- Conduct infrastructure modeling to predict impacts and develop mitigation plans for critical infrastructure personnel due to a possible avian influenza pandemic.
- Develop simulations and analyses of DHS identified disruption scenarios based on priorities from a preliminary National Hazards Assessment.

In FY 2007, NISAC plans to accomplish the following goals:

- Build out IT connectivity between NISAC laboratories, the Protective Security Analysis Capability (PSAC), and DHS-HQ.
- Identify and acquire academic expertise to work on-site at NISAC on a sabbatical basis.
- Provide NISAC models to PSAC and provide technical assistance in training PSAC personnel on them.
- Initiate expansion of Critical Infrastructure Protection – Decision Support System (CIP-DSS) modeling efforts from national (but very high level) to regional (but deeper detailed level) for Northeast and Southern California.
- Integrate spatial interdependency information into NISAC efforts on functional interdependencies.
- Integrate consequence and infrastructure asset data developed in the simulation tasks with the National Asset Database, review prioritization results and make improvements to the asset/system prioritization for national-level assessments.
- Southeastern Regional/Urban and National Infrastructure Interdependency Analyses to provide detailed review of infrastructure assets in southeastern U.S. at local to regional scale to identify potentially significant disruptive events and quantify the consequences of the identified events.
- Water Transportation Network Analysis System Development, Testing and Disruption to analyze ports and other waterways to understand asset disruptions and impacts.
- Develop scenario and issue base simulations of infrastructures and their interdependencies in support of longer-term issues analysis for DHS, IP and other government agencies. Provide infrastructure disruption consequence analyses, recovery analyses and integrated risk-based mitigation analyses.
- Provide infrastructure consequence analysis and document reviews to DHS in support of real world events (terror attacks, natural disasters), planning exercises (e.g., TOPOFF), and policy development on an as-needed basis. Continue to mature and maintain expertise in application of analysis tools through as-needed support of longer-term DHS IP projects.

Net Base Changes:
The total net base decrease is $3,799,000. This includes a technical programmatic reduction of $3,799,000.

Base Decrease: Description of Item
The FY 2007 request is a decrease of $3,779,000 from the FY 2006 revised enacted amount.

Justification
The decrease reflects the completion of the Kirtland facility construction and a reprioritization of infrastructure protection funds to higher-priority missions and initiatives.

Department of Homeland Security

Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: Biosurveillance (BIO)

	Perm Pos	FTE	Amount
2005 Actual*	...	...	**$1,569**
2006 Revised Enacted	...	...	**$13,959**
2007 Adjustments-to-Base	...	...	(5,741)
2007 Current Services	...	...	**$8,218**
2007 Program Change	...	...	...
2007 Request	...	...	**$8,218**
Total Change 2006-2007	...	...	(5,741)

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

The Preparedness Directorate requests $8,218,000 for Biosurveillance. This is a decrease of $5,741,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
Biosurveillance funds are distributed to the Risk Management Division (RMD) within the Office of Infrastructure Protection.

Preparedness executes the Biosurveillance Program through the following major subprograms:
- National Biosurveillance Integration System (NBIS)
- National Biosurveillance Integration System Support

National Biosurveillance Integration System (NBIS) sub-program includes activities supporting NBIS, Biosurveillance Monitoring Architecture, and NBIS Team Operations.

- NBIS provides real-time integration of Biosurveillance data harvested through many federal government agencies, including U. S. Department of Health and Human Services (HHS), Center for Disease Control (CDC), Food & Drug Administration (FDA), U. S. Department of Agriculture (USDA), U. S. Department of Homeland Security Science & Technology Directorate (DHS S&T), Environmental Protection Agency (EPA), and U.S. Geological Survey (USGS), that is useful in the early detection and characterization of a biological attack on the United States. The objectives of this integration are: to corroborate data across sectors; to ensure that data from each sector of surveillance can be fused to inform homeland security decision-making; and to decrease the gap between the point when the event actually occurs and the time when appropriate federal, state, and local response protocols are implemented.

- Biosurveillance Monitoring Architecture provides biological attack detection and characterization situation to the DHS Homeland Security Operations Center's (HSOC) Common Operating Picture

(COP). This integrates detection and characterization of information and analysis with the national indications and warnings architecture for infrastructure protection. NBIS is developed as an integrated geographic information assessment and response system that is designed to collect, monitor, and evaluate clinical and non-clinical biological threat information and reporting data streams. Theses data streams will cover a broad surveillance of foreign and domestic sources of intelligence, pest, disease outbreaks, syndromic health information, human, plant, animal, food, drinking water, and environmental information in order to identify indicators of and to characterize potential or imminent biological attacks or disease outbreaks that threaten the safety and security of the nation.

- NBIS will integrate geographic information assessment and response system collecting, monitoring, and evaluating clinical and non-clinical biological threat information and reporting data streams.
  - NBIS will enable enhanced, near-real-time detection and characterization information and analysis to be provided to the DHS Homeland Security Operations Center (HSOC) Common Operating Picture.
  - NBIS will facilitate rapid but accurate inter-agency communication and collaboration on issues, surveillance and detection results, and the status of any current investigation or laboratory effort aimed at characterizing or validating any developing threat or significant biological event.
- NBIS Team Operations require numerous federal agencies to coordinate activities and share supporting data and systems. This activity will facilitate effective and efficient interaction among NBIS Team members. To this extent, team members will require collocated offices, 24/7 access to data systems of the parent organization, training on NBIS developed architecture, etc.
- Biosurveillance and monitoring information obtained from federal agencies will be integrated. These agencies are a conduit of information obtained nationwide from federal state, local, and private industry sources. Additionally, efficient Team Operations will require:
  - Uniform policies and approaches for new technologies and integrating current surveillance and detection systems ;
  - Capability assessment, shortfalls identification, and solutions development;
  - Guidance on methodologies for assessing vulnerability and risk ;
  - National priorities for investment and implementation ;
  - Performance tracking and progress in National Biodefense Program implementation.

The NBIS Support program covers NBIS team support and integration & interface support.

- NBIS teams will attend meetings, symposia and participate in supporting studies & seminars.
- NBIS integration & interface support will connect various systems from a wide variety of federal agencies, which is critical to the success of the NBIS system.

In FY 2005, Biosurveillance has achieved the following accomplishments:

- DHS created NBIS-Lite in anticipation of the acquisition and development of NBIS. NBIS-Lite is a solution that bridges the gap between today's uncertainty and the fully capable NBIS system.
- NBIS Analysis Team planning and designing activities include:
  - Providing agency information to accomplish interagency familiarization
  - Developing standard operating procedures
  - Participating in tabletop exercises

  - Analyzing information flows among internal agencies
  - Developing training programs
  - Reviewing Memorandums Of Agreement (MOA)
  - Understanding limitations and causes
  - Participating in NBIS development
  - Defining reach back requirements
- Biosurveillance began the implementation of Homeland Security Presidential Directive/HSPD-9 by developing and deploying tools to enhance correlation and analysis of Biosurveillance sensor data.
- The NBIS program completed the planning process to integrate data from such program partners as CDC, FDA, USDA, and DHS S&T. Because of this effort, we are moving close to being able to utilize potential threat information from other agencies in the area of biosurveillance.
- Plans and procedures have been set and procurement efforts are under way to allow for the launch and evaluation of a pilot program that integrates multiple data streams with threat information and efforts to implement information sharing through decision channels to the local law enforcement community.
- Procedures have been devised to allow for the preliminary evaluation of usefulness of the existing biosurveillance data as merged with the existing threat information and will be implemented after necessary procurement actions have been complete.
- NBIS is in the process of defining the characterization of biowarnings in sufficient detail to allow for the determination and development of appropriate threat data to effect a reduction in response time.
- The NBIS program work in the areas of developing plans, procedures, characterizations, and procurement strategies has allowed for the determination of sensor capabilities, technological limitations, and which emerging technologies are appropriate for the real-time integration function critical to the success of NBIS.
- With the establishment of relationships with our partner organizations, NBIS is starting to develop the capability to determine what threat data is required to support the medical countermeasures effort to assist in determining the appropriate responses to an attack.
- The planning phase for the development of a draft proposal for techniques that are of potential use for decreasing the time for first response protocols has begun and, when completed, will allow NBIS to focus on the analysis of techniques for information release required to minimize the consequences of bioweapon use.

In FY 2006, Biosurveillance is planning to accomplish the following goals:
- Develop Standard-Operating Procedures (SOPs) for the analysis of multi-agency information, sharing information with relevant agencies, and reporting conclusions to the HSOC and Interagency Incident Management Group (IIMG).
- Establish Initial Operational Capability (IOC) and NBIS Analytic capabilities using the NBIS-Lite System.
- Receive contract award for the Full NBIS IT System.
- Initiate interagency staffing of the NBIS Analytic team.
- Achieve initial operation of the NBIS-V2 IT System for biosurveillance information fusion and analysis.

In FY 2007, Biosurveillance is projecting to accomplish the following goals:
- Replace NBIS-Lite IT System with the IOC of NBIS IT System.
- Upgrade SOPs for analytic system based on the increased capability of the NBIS IT System.

- Add interagency information flows enabled by the NBIS IT System.
- Complete Memorandum of Agreements (MOAs) for interagency operation.

Net Base Changes:
The total net base decrease is $5,741,000. This includes a technical programmatic reduction of $5,741,000.

Base Decreases: Description of Item
The FY 2007 request is a decrease of $5,741,000 from the FY 2006 revised enacted amount.

Justification
The decrease is due to a readjustment of infrastructure protection funds to better align IP activities with program strategic goals and objectives.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: Protective Actions (PA)

	Perm Pos	FTE	Amount
2005 Actual*	...	...	**$149,868**
2006 Revised Enacted	...	...	**$90,485**
2007 Adjustments-to-Base	...	...	(68,442)
2007 Current Services	...	...	**$22,043**
2007 Program Change	...	...	10,000
2007 Request	...	...	**$32,043**
Total Change 2006-2007	...	...	(58,442)

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

The Preparedness Directorate requests $32,043,000 for PA. This is a decrease of $58,442,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
PA funds are distributed among the Risk Management Division (RMD), Contingency Planning and Support Division (CPSD), Chemical and Nuclear Preparedness and Protection Division (CNPPD), and Chemical Security Office within the Office of Infrastructure Protection.

Preparedness executes PA through the following major subprograms:
- General Security Plans
- Studies, Equipment and Advisors
- National Terrorism Prevention Training Program
- Coordinate National Protection Efforts (Weapons of Mass Destruction / Terrorist Device Countermeasures Capability (WMD/TDCC))
- Federal Preparedness Coordinator program

The General Security Plans sub-program provides following activities:
- The Buffer Zone Protection Program is a voluntary program for state and local government law enforcement agencies (LEAs). The purpose of the program is to assist local law enforcement personnel in establishing improved security around (Outside the fence) critical infrastructure sites . The program is intended to define and identify effective preventive measures that interfere with the terrorist mission-planning cycle and any attack preparations. OIP is responsible for assisting local LEAs in developing Buffer Zone Protection Plans for critical sites and for evaluating and improving plans submitted to RMD. The Office of State and Local Government Coordination and Preparedness is responsible for awarding grants to fund the implementation of recommended protective measures. DHS develops a list of critical sites each Fiscal Year and coordinates with LEAs to develop a BZPP for high-risk sites. Once the plan is completed it is passed to OSLGCP to

administer grants. The BZPP program results in better protected CI/KR and also increases the general protective capacity and preparedness of Local Law Enforcement (LLE) and first responders.

- Buffer Zone Protection Plan (BZPP) workshops provide state and local entities responsible for protecting eligible facilities with training on conducting Buffer Zone Plans. Workshops have been offered for large individual jurisdictions, regions, and via video teleconferences.
- BZPP technical assistance visits provide on site support to jurisdictions requiring additional help completing Buffer Zone Plans.
- The Buffer Zone Planning team reviews and approves all infrastructure plans submitted to DHS as part of the BZPP program. Support staff log and review plans, work with state and local entities to correct discrepancies, and conduct trend and gap analysis of submitted plans that drive protective measures implementation and grant issuance.
- IP staff target infrastructure and conduct Buffer Zone Plans in collaboration with state and local entities including response to emerging threats and to support comprehensive reviews.

The Studies, Equipment, & Advisors sub-program provides coordination and oversight assistance to all CI/KR sectors. OIP staff is supplemented with subject matter experts from other federal agencies, state, and local entities, and the National Laboratories to advise on technical subjects and to oversee specialized projects and activities. These experts conduct studies addressing evolving vulnerabilities and potential consequences from the changing terrorist threats and new tactics and techniques enhances the likelihood of the appropriate protective measures being developed or selected for implementation to reduce risk.

The National Terrorism Prevention Training sub-program provides educational and awareness, centered on prevention planning, capabilities enhancement, information sharing Chemical Biological Radiological Nuclear Explosive (CBRNE) tactics and procedures and other necessary actions that will help citizens, both public and private to better deter, detect, defend and devalue their property and/or facilities as potential targets of opportunity. The training includes protective measures enhancements and prevention planning and support is available to owners/operators and members of the protective community at all levels of the federal, state and local governments.

The Coordinate National Protective Efforts sub-program is designed to improve intergovernmental, state, and local capabilities to detect, deter, prevent, and respond to CBRNE attacks. Specific program functions include:

- Assist state and local municipalities developing and implementing National Incident Management System (NIMS) compliant with Bombing Prevention and Response Plans for high-risk multi-jurisdictional areas.
- Develop task based, mission-specific training, procedure development, and validation exercises for responders.
- Ensure technical assistance available through grants that is consistent with current threats.
- Develop requirements and support projects within DHS Office of Science and Technology and Technical Support Working Group in order to identify and develop new terrorist device countermeasures based on risk.

The Federal Preparedness Coordinator (FPC) sub-program was established in FY 2006 by direction of the Secretary. FPCs are DHS core planning and liaison personnel who provide resources and expertise dedicated to a specific region. They are assigned from the spectrum of DHS components and are

located throughout the country, which provides the institutional knowledge and experience to reach-back and outward to multiple entities within DHS. The FPC will support national emergency planning and preparedness through stronger focus on comprehensive regional, state, and local jurisdictional planning and preparedness.

The following is a description of the PA program accomplishments and goals:

In FY 2005, PA has achieved the following accomplishments:

- Performed policy oversight and program management for OSLGCP grants related to Buffer Zone Protection Plans (BZPPs) allowing for the implementation of plans related to over 1,800 designated priority assets.
- Provided critical training to a significant number of priority asset owners and staff, educating them on incorporating requirements analysis and protective measures recommendations for enhanced security.
- Designed courses to meet the needs of the Chemical Sector, the Commercial Sector and other sectors that are identified as the threat environment, priorities, or other issues arise.
- Continued to deliver courses designed in FY 2004 to ensure that there is an adequate knowledge base among the protective personnel charged with protecting national assets/systems at within both the private and public sectors.
- Initiated emerging/technology application pilots and other related efforts for these major sector/segment categories:
    - Hazmat
        - Progressing with the training and equipping of selected Hazmat teams in the Washington area to mitigate the effects to the population of a terrorist attack on rail cars containing toxic hazards.
        - Oversaw the transfer to private industry of plans necessary to implement action of technology to eliminate the need for chlorine to disinfect waste water in a large metropolitan facility.
    - Bombing
        - Established the necessary concepts to maximize capability of canines to detect explosives.
        - Development of a low cost bomb squad robot that can conduct radiography in order to provide for detection of improvised explosive devices.
    - WMD
        - Substantial progress made toward the development of an operation of concepts and related training for local public safety officers to detect and interdict radioactive materials by deploying radiation pagers and detection equipment.
        - Work is progressing on being able to utilize UAVs or other devices to survey the extent of plumes following a terrorist attack that causes release of hazardous materials.
        - Completed necessary contractual actions and work has begun on implementing the pilot for the DC Rail Corridor concept which provides for radiological, chemical and biological agent detection. Successful implementation should occur in FY 2006.
- Supported the TOPOFF 3 Intra-Agency Working Group engaged in planning the TOPOFF 3 exercise, and provided IP-specific intelligence integration and coordination for both TOPOFF 3 and the Pinnacle continuity of operations exercise.
- Developed and tracked a comprehensive list of several hundred Special Events across the United States, e.g., the Super Bowl, etc.

- Developed and coordinated Integrated Federal Support Plans for the highest priority events in terms of risk and consequence.
- Appointed Federal Coordinators for high-priority Special Events.
- Coordinated implementation requirements and timelines for the National Response Plan (NRP)
    - Achieved concurrence from 32 federal partners and the White House on the plan.
    - Developed standard operating procedures for NRP coordinating mechanisms .
    - Developed and executed NRP familiarization and training seminars in seven cities.
- Provided Operational Support
    - Supported Interagency Incident Management Groups for the London Bombings and Hurricanes Katrina, Ophelia, Rita and Wilma.
    - Developed and implemented the Principal Federal Official (PFO) program.
        - Developed PFO training courses and certified over 100 personnel.
        - Stewarded the appointment of PFOs for Incidents of National Significance, for planned JFO activations, and for exercises.
        - Deployed PFO Support Staffs for hurricane responses, exercises, and both National Conventions to support PFOs.
- Developed the Federal Preparedness Coordinator (FPC) concept.

In FY 2006, PA is planning on accomplishing the following goals:

- Continue to perform policy oversight and program management for OSLGCP grants to ensure Buffer Zone Protection Plans (BZPPs) are implemented at designated priority assets.
- Continue to conduct BZPP workshops and technical assistance visits to train law enforcement agencies and first responders on the philosophy behind the program and how to develop site-specific plans, incorporating requirements analysis and protective measures recommendations for enhanced security.
- Develop the capability to perform gap analysis on outputs from various inputs such as BZPPs, Comprehensive Reviews (CRs), Rapid Response Visits (R2Vs) and Site Assistance Visits (SAVs) in order to determine appropriate protective measures for specific scenarios and/or sites.
- Coordinate efforts with OSLGCP to design protective measures training procedures and courses to allow for the most extensive coverage of priority assets, owners and staff in order to provide maximum leverage of resources and manpower.
- Continue to establish an interagency governance board related to bombing prevention technology.
- Continue supporting, both financially and with subject matter expertise, the Technical Support Working Group (TSWG) on evaluating technologies to support bombing prevention.
- Prepare, coordinate and publish the IP Incident Management Plan.
- Plan and provide support for execution of the National Response Plan in response to all-hazards Incidents of National Significance.
- Prepare IP situational awareness reporting in support of the Preparedness Directorate, Deputy Secretary, and Secretary during Incidents of National Significance.
- Deploy in support of the Joint Field Office and the Principal Federal Official during Incidents of National Significance.
- Develop risk-based model for evaluating and categorizing Special Events.
- Prepare 2006 Special Events list with state and local governments.
- Develop process and procedures for integration of DHS Special Events planning and Federal Preparedness Coordinator activities.
- Prepare DHS Pandemic Influenza Implementation Plan.

- Provide and coordinate DHS contingency planning for Pandemic Influenza and selected other DHS and national planning scenarios.
- Implement the Federal Preparedness Coordinator (FPC) sub-program to provide the institutional knowledge and experience to reach-back and outward to multiple DHS entities on behalf of state and local entities. FPCs will support national emergency planning and preparedness through stronger focus on comprehensive regional, state, and local jurisdictions planning and preparedness.

In FY 2007, PA is projecting to accomplish the following goals:
- Develop Train-the-Trainer courses to deliver initial instruction in such areas as Soft Target Awareness, SAV and R2V to priority asset owners and staff to afford training across the location and staff as needed.
- Coordinate efforts with OSLGCP to design protective measures training procedures and courses to allow for the most extensive coverage of priority assets, owners and staff in order to provide maximum leverage of resources and manpower.
- Continue to have discussion with the interagency governance board related to bombing prevention technology.
- Continue to conduct gap analysis for bomb squads in major cities and priority locations.
- Continue supporting, both financially and with subject matter expertise, the Technical Support Working Group (TSWG) on evaluating technologies to support bombing prevention.
- Plan and provide support for execution of the National Response Plan in response to all-hazards Incidents of National Significance.
- Provide and coordinate DHS contingency planning for selected DHS and national planning scenarios.
- Deploy in support of Joint Field Office and Principal Federal Official operations in response to Incidents of National Significance
- Prepare and coordinate Special Events list in FY 2007 with state and local governments.
- Recommend, as part of the FPC program, methods to ensure preparedness and response is interoperable with contiguous localities and is scaleable to each likely incident.
- Develop information sharing initiatives and strategic partnerships between locally based DHS and other federal officials, as well as key state, local and private sector stakeholders.
- Coordinate resource and operational planning in preparation for incident response.
- Coordinate planning for, and participate in, local, regional, and national-level homeland security exercises and drills.

Net Base Changes:
The total net base decrease is $68,442,000. This includes transfers out of $8,000,000, technical programmatic adjustments of $947,000, programmatic base reductions of $61,389,000.

Base Decreases: Description of Item
Infrastructure Protection realigned $8,000,000 to other IP programs as follows:
- NIPP and Sector Specific Agency Management funding of $4,000,000 transferred to CIOP.
- Reduce Vulnerabilities in Control Systems funding of $4,000,000 transferred to CIIE.

Justification
This realignment is to better align IP activities with program strategic goals and objectives.

Description of Item

The following activities have been reduced or eliminated based on reprioritization of Departmental resources:

- FY 2006 base funding of $20,000,000 for Protective Security Analysis Center was eliminated.
- FY 2006 base funding of $20,000,000 for Protective Measures Demonstration Pilots was eliminated.
- FY 2006 base funding of $10,000,000 for Control Systems was reduced by $6,000,000. Please see transfer above of remaining $4,000,000.
- FY 2006 base funding of $10,303,000 for the National Terrorist Prevention Training Program was reduced by $8,961,000.
- FY 2006 base funding of $14,003,000 for Coordinate National Protection Efforts was reduced by $2,789,000 and $4,000,000 was transferred to CIOP for NIPP and SSA Management (see above).
- FY 2006 base funding of $16,000,000 for Develop General Security Plans was reduced by $3,639,000.

Justification

This realignment reflects a readjustment of infrastructure protection funds to better align IP activities with program strategic goals and objectives.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: Cyber Security

	Perm Pos	FTE	Amount
2005 Actual	...	...	**$54,205**
2006 Revised Enacted	...	...	**$92,415**
2007 Adjustments-to-Base	...	...	(210)
2007 Current Services	...	...	**$92,205**
2007 Program Change	...	...	...
2007 Request	...	...	**$92,205**
Total Change 2006-2007	...	...	(210)

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

The Preparedness Directorate requests $92,205,000 for Cyber Security. This is a decrease of $210,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
Cyber Security funds supports the National Cyber Security Division (NCSD), which includes the following branches:

- United States Computer Emergency Readiness Team (US-CERT) Operations
- Law Enforcement and Intelligence (LE&I)
- Strategic Initiatives (SI)
- Outreach and Awareness (O&A)

The NCSD US-CERT Operations Branch includes activities supporting the following:

- The United States Computer Emergency Readiness Team (US-CERT) serves as a national focal point for the U.S. Critical Infrastructure (CI), U.S. Executive Branch, and state/local governments to address cyber security incidents that may pose a threat at the national level. The US-CERT Operations Analytic Cell maintains a 24x7x365 capability that receives, identifies, correlates, triages, and responds to incidents impacting the Nation's critical assets. The Analytic Cell coordinates the dissemination of cyber threat warning information via the National Cyber Alert System to warn the federal, state, local government, and associated critical infrastructure components of viruses, vulnerabilities, attacks, malicious code, impending threats, and weaknesses.

- The Malicious Code Analysis Program provides computer network analysis, vulnerability, incident response, and information assurance at the national and international levels. This program provides the capability to analyze, correlate large-scale, and target specific malicious code (e.g., viruses, worms, spyware, bots, trojan horses, and rootkits) *NOT* detected by current commercial anti-virus

programs or other private sector software tools that exploit vulnerabilities across federal agency boundaries, critical infrastructure, and public/private sectors.

- NCSD's Strategic Operations Program implements cyber security programs focused on our government customers (federal, state, and local). A major program within Strategic Operations is the Government Forum of Incident Response and Security Teams (GFIRST). The GFIRST community is comprised of approximately 50 teams and 500 members from the defense, intelligence, law enforcement, and federal civilian communities. In addition, Strategic Operations administers the Chief Information Security Officers (CISO) Forum, which is the only forum in the Government that brings Chief Information Security Officers together to work on senior level security issues affecting the Federal Government. Other activities supporting Strategic Operations include Project AIR-Automated Incident Response and Remediation (AIR), Forensics Training Program, and Computer Network Defense Service Provider (CNDSP).

- The Mission Operating Environment (MOE) represents a collection of information technology essential for supporting sophisticated cyber-security goals. Specifically, the MOE satisfies the US-CERT operational requirements for a dedicated infrastructure for developing and deploying tools and services needed to protect critical computing operations. US-CERT security specialists are using the MOE to study computer worms, viruses, and other malicious code that consistently shut down operations across the federal/state government and the critical infrastructure, leading to significant monetary damage and undermining the delivery of essential services. Security operations provided by the MOE require separation from the DHS systems to properly protect and preserve both the US-CERT mission and the parent agency accordingly.

- The Situational Awareness Programs are structured similarly to leverage information technology (IT) and to protect essential IT infrastructure from attacks. The US-CERT focuses on developing Situational Awareness programs that supply risk information across the United States Government in real-time. To date, the agencies have not been able to share threat, vulnerability, and incident data in real time, which is essential for defeating adversaries who are trying to exploit federal and state information systems or to shut down key services within the critical infrastructure. For example, the US-CERT Einstein program is an automated process for collecting, correlating, analyzing, and sharing computer security information across the federal government. Federal agencies benefit by raising the cyber situational awareness for their individual agency, contribute to their meeting statutory requirements, and help generate cyber situational awareness across the Nation (federal/state/local/tribal/critical infrastructure).

The NCSD Law Enforcement and Intelligence Branch (LE&I) coordinates the prevention, investigation, and prosecution of malicious cyber activity. Activities include:

- LE&I coordinates law enforcement (LE) activities related to cyber incidents across the United States Government (USG) including the following tasks: (1) maintains personnel in key DHS organizational nodes; (2) maintains points of contact (POCs), capabilities, and activities of LE and cyber security information sharing programs at the national level to coordinate efforts and resources; (3) supports law enforcement use of Cybercop, a secure information sharing portal as new national information sharing networks come online; (4) coordinates efforts between the USG intelligence community (IC), all levels and jurisdictions of LE, the private sector, and other entities; and (5) maintains operational Points of Contact (POCs) with American (federal, state, and local) and international intelligence and counterintelligence agencies.

- LE&I coordinates with the National Cyber Response Coordination Group (NCRCG), consisting of 19 principal USG agencies with cyber responsibilities and capabilities and serves as the Federal Government's principal interagency mechanism for operational information sharing and coordination of the Federal Government's response and recovery efforts during a national cyber crisis.

- LE&I must maintain situational awareness (SA) to successfully coordinate nationwide prevention, detection, and mitigation responses to cyber incidents of national significance. Supporting activities include: (1) conduct evaluations to determine the current and evolving cyber threats facing the USG, critical infrastructures, and the Nation; (2) concurrently, delineate the capabilities of USG organizations and private sector partners to prevent, detect, respond to/mitigate and recover from cyber threats and attacks; (3) communicate prioritized and standing information needs (PINs/SINs) to dovetail into the cyber collection requirements for the National Intelligence Priority Framework (NIPF); (4) review and comment on external organizations' products, classified or unclassified; (5) generate reports, documents and white papers; and (6) draft and provide input to the Intelligence Analysis-Current (IA-C) on the Strategic Threat and Action Report (STAR) for delivery to the President.

The NCSD Strategic Initiatives (SI) Branch supports the following activities:

- The SI Critical Infrastructure Protection Cyber Security (CIPCS) Program works with public and private sectors to reduce vulnerabilities and minimize the severity of cyber attacks by improving the cyber security of critical infrastructures. NCSD is establishing uniform policies, approaches, guidelines, and methodologies for integrating federal infrastructure protection and risk management activities within and across sectors. These activities include: developing and implementing the National Infrastructure Protection Plan (NIPP) Information Technology (IT) Sector Specific Plan (SSP); providing cross-sector cyber guidance to Sector Specific Agencies' (SSAs) NIPP SSPs and federal agencies' critical infrastructure protection (CIP) plans; and establishing the Internet Disruption Working Group, in collaboration with the DHS National Communications System (NCS), to address near term mitigation strategies to improve the resiliency of the Internet.

- The Cyber Security SI Training and Education Program is aimed at fostering adequate training and education programs to support the Nation's cyber security needs. DHS is establishing, co-sponsoring, and implementing programs to advance the training of cyber security professionals in the United States. DHS is working in coordination with the National Science Foundation (NSF), the National Security Agency (NSA), and the Office of Personnel Management (OPM) to identify ways to leverage the existing Cyber Corps Scholarship for Service (SFS) program and the National Centers of Academic Excellence in Information Assurance Education (CAEIAE) program to address training and education workforce issues. Additionally, DHS is promoting the development of information technology (IT) security certification programs that will be broadly accepted by the public and private sectors.

- The Software Assurance Program is a public-private effort that supports the DHS mission to secure cyberspace and our Nation's critical infrastructure by promoting security across the software development life cycle to achieve a broader ability to routinely develop and deploy trustworthy software products. DHS is partnering with industry, academia, and other government agencies to

shift the security paradigm from "patch management" to "software assurance" by encouraging U.S. software developers to raise the bar on software quality and security. DHS sponsors Software Assurance Forums and Working Groups that provide opportunities for collaboration among industry, academia, and government on software assurance initiatives.

- The SI Cyber Exercise Program (CEP) plans, coordinates, and conducts exercises focused on the cyber and information systems that provide connectivity, control, and communications for critical infrastructure sectors, such as banking / finance, emergency services, energy, information technology, telecommunications, transportation, and water. Cyber exercises, which are conducted at all levels of government provide the environment to (1) develop, coordinate, rehearse, and refine key processes; (2) integrate infrastructure protection activities within other national-level plans; (3) establish mechanisms for coordination and information exchange; (4) and identify interdependencies, overlaps, and gaps so that all the critical infrastructure stakeholders at every level are better prepared for and more capable of preventing, responding to, and recovering from a major cyber incident.

- The SI Standards and Best Practices Program includes; (1) promoting standard/common naming conventions for vulnerabilities and malicious code; (2) collaborating with the National Institute of Standards and Technology (NIST) in the development of the National Vulnerability Database; (3) sponsoring and developing cyber security guidance and best practices documents; (4) sponsoring the creation of benchmarks for recommended security technical configurations; (5) collecting, developing, and submitting cyber security research and development (R&D) requirements for DHS Science and Technology (S&T) Directorate's cyber security research priorities.

- The SI Control Systems Security Program manages NCSD efforts to enhance the security posture of control systems within the Nation's critical infrastructure by mitigating the threat of terrorist attacks through improvements to legacy process control systems that monitor and control sensitive processes and functions for the Nation's most critical infrastructures. These infrastructures include power and energy, water and pumping stations, chemical processing, pharmaceutical production, transportation, manufacturing, and food production. If these infrastructures are altered, incapacitated, or destroyed it would have a debilitating impact on national security, economic security, public health and safety, and/or the environment. This program uses funding from the Critical Infrastructure Identification and Evaluation budget line.

The Outreach and Awareness Branch of NCSD is responsible for communications, messaging, coordination and stakeholder outreach. The branch also has a separate component responsible for International Cyber Security Collaboration and Public Policy.

- The Outreach and Awareness component (1) focuses on coordination and development of internal and external communications; (2) works to ensure collaboration on events and activities across NCSD and with DHS colleagues across the Department including public affairs, legislative affairs, the private sector office, and other entities as appropriate; (3) and serves to build and maintain trusted relationships among and between industry, government, and academia to raise cyber security awareness and effectively secure cyberspace.

- The International Affairs component conducts the following tasks: (1) engages in international outreach activities to build awareness about the global cyber risk, shares information about the role and activities of computer security incident response teams to mitigate the risk, and builds

relationships among governments toward global cooperation on cyber security; (2) establishes information sharing relationships, communications mechanisms, and collaborative arrangements to increase our global cyber situational awareness; (3) leverages global expertise; (4) shares best practices, experiences, and specific threat and vulnerability information; (5) coordinates global cyber incident response; and (6) establishes collaborative arrangements for addressing the cyber component of critical infrastructure protection issues.

- The Public Policy component works to ensure consistent messaging and comprehensive responses to congressional testimony and other inquiries, as well as inform DHS internal and external stakeholders about cyber security issues and activities.

In FY 2005, NCSD has made the following accomplishments:

- US-CERT (1) developed a 24x7x365 Cyber Watch Center with initial capabilities to detect, analyze, and respond to cyber events; (2) standardized incident reporting across the government through White House Policy Coordinating Committee; and (3) continued to develop a phased US-CERT Portal integration into Homeland Security Information Network (HSIN).

- The US-CERT Malicious Code Analysis team (1) assessed new software vulnerabilities and provided warnings to more than 50,000 systems administrators across the Federal Government and Critical Infrastructure to protect more than 5,000,000 computer systems from severe cyber threats; (2) analyzed 125 malicious and other code samples using the Malicious Code Lab; (3) reviewed 2,100 new software vulnerabilities; and (4) conducted an effort to produce an internationally accepted common malware/virus definition and naming standard.

- The US-CERT Strategic Operations Program (1) established the Government Forum of Incident Response and Security Teams (GFIRST); (2) held the first national GFIRST conference; (3) provided as part of the Chief Information Security Officer Forum (CISO) recommendations for patch management, Federal Information Systems Management Act (FISMA), and incident reporting.; (4) provided as part of the Virtual Training Environment (VTE) a Cyber Incident Forensics Training DVD to over 500 members of government incident response teams; and (5) developed a beta version of the Federalized Computer Network Defense Service Provider metrics.

- The US-CERT Mission Operating Environment (MOE) program achieved full operating capability. It provides a dedicated infrastructure for development and deployment of tools and services.

- The US-CERT Situational Awareness (SA) team (1) installed Einstein systems at five locations; (2) received a final approved Privacy Impact Statement for Einstein; and (3) implemented Internet Health Service for use by 50 government agencies in the GFIRST community.

- LE&I (1) facilitated criminal investigative leads to DHS enforcement components that culminated in dozens of investigations surrounding Hurricane Katrina; (2) partnered with the National White Collar Crime Center (NW3C) to co-host the annual "State of the State" conference with attendees from 37 states; (3) expanded the Cybercop community to nearly 10,000 members representing all 50 states, DC, more than 40 countries, and will soon be joined by the FBI-sponsored InfraGard Program; (4) provided research and recommendations in the Technical Support Working Groups (TSWG) research and envelopment cycle; (5) provided guidance and facilitation to the National Cyber Response Coordination Group (NCRCG) to aide in accomplishing its strategic goals and

mission; and (6) initiated a strategic cyber threat assessment program to augment and elaborate on the Cyber National Intelligence Estimate (CNIE).

- The SI Critical Infrastructure Protection Cyber Security (CIPCS) Program (1) developed and submitted the FY 2005 NIPP IT Sector Specific Plan (SSP) to identify critical assets, assess their vulnerabilities, and implement protective measures; (2) developed cross-sector cyber content to provide direction and assist SSAs with the development of their NIPP SSPs; (3) drafted an IT Sector Asset Identification Methodology; (4) identified and updated initial IT Sector Asset categories for the National Asset Database (NADB), and (5) established the Internet Disruption Working Group (IDWG) in collaboration with the NCS.

- The SI Cyber Security Training and Education Program promoted strong educational programs—eight new CAEIAEs, a job fair, symposium, scholarship for service program—in cyber security and information assurance throughout the Nation.

- The SI Software Assurance Program hosted numerous working groups and meetings to promote security across the software development lifecycle and create a community of public and private sector partners. Specifically, the Software Assurance Program (1) hosted a "Develop a Curriculum" event to facilitate development of a Secure Software Common Body of Knowledge (CBK); (2) hosted a semi-annual Software Assurance Forum attended by more than 200 to facilitate the development of practical guidance in software assurance process improvement methodologies; (3) began development of the "Security in the Software Lifecycle" Developer's Guide and the Build Security In Portal; and (4) collaborated with NIST to inventory software assurance tools and measure effectiveness, identify gaps and conflicts, and develop a plan to eliminate gaps and conflicts.

- The SI Cyber Exercise Program (CEP) coordinated and prepared for the National Cyber Exercise (NCE) Cyber Storm to evaluate the myriad of communication, coordination, technical capabilities, performance measures, and information sharing methods used by the various government agencies and the private sector. In addition, the CEP (1) continued efforts to enhance coordination of cyber security issues at the regional level through sponsorship and support to efforts in the Pacific Northwest and the Gulf Coast regions; (2) co-hosted and participated in the Multi-State Information Sharing and Analysis Center (MS-ISAC) cyber tabletop exercise with over 40 states and key government and private sector stakeholders; and (3) co-sponsored cyber tabletop exercises in New Jersey and Connecticut in preparation for TOPOFF3 with the Office of Domestic Preparedness (ODP).

- The SI Standards and Best Practices Program (1) promoted common naming conventions for vulnerabilities and malicious code; (2) developed and launched the National Vulnerability Database, in collaboration with NIST, to improve access to vulnerability information; (3) evaluated the effectiveness of existing Common Criteria programs and process through co-sponsorship of a review of the National Information Assurance Program (NIAP) with the DOD and participation in relevant forums; (4) supported the overall DHS R&D mission by identifying requirements for cyber innovation; (5) sponsored the Common Vulnerabilities and Exposures (CVE) program and Open Vulnerability and Assessment Language (OVAL) standards to improve standardization of information across security advisories, tools, databases and services; and (6) initiated development

of an internationally accepted common malware/ virus definition and naming standard through sponsorship of the Common Malware Enumeration (CME) program.

- The SI Control Systems Security Program (1) developed the Control Systems Security Framework to characterize system security requirements, definitions, protection profiles, and recommendations for owners and operators to meet prescribed levels of assurance; (2) sponsored government/industry workshops to increase awareness; (3) developed control systems security informational products tools and a baseline of control systems standards to enable promulgation of control systems security best practices; (4) established the US-CERT Control systems Security Center (CSSC) and a US-CERT Control Systems Watch Operation; (5) created a quantitative control systems cyber risk/decision analysis measurement methodology; (6) designed and procured "Rapid Response" assessment architecture and equipment; (7) conducted Control System Penetration Demonstration (e.g., simulated chemical spill) and developed an awareness video; and (8) established the Process Control Systems Forum (PCSF) in partnership with S&T to accelerate the development of technology that will enhance control systems security, safety, and reliability.

- The O&A Program established a program to (1) coordinate and develop internal and external communications; (2) ensure consistent cyber security messaging; (3) ensure collaboration on internal and external NCSD events; and (4) build and maintain trusted relationships among and between industry, government, and academia to raise cyber security awareness and effectively secure cyberspace. O&A also (1) developed a Cyber Awareness Plan that provides a framework on how DHS reaches out to stakeholders, federal and industry partners, and the American public to promote cyber security; (2) hosted quarterly meetings with stakeholders; (3) and participated in the Wye II Private Sector Retreat hosted by the National Cyber Security Partnership.

- The O&A International component (1) developed cyber security action plans for bilateral working groups that include information sharing, watch and warning, incident response, and strategic initiatives; (2) established a framework for five key allies' cooperation on cyber security policy, watch and warning, and incident response; (3) hosted a multilateral conference with fifteen countries; (4) developed a cyber security component of Security and Prosperity Partnership (SPP) with Canada and Mexico; (5) collaborated with 15 countries to develop an International Watch and Warning Network (IWWN) for greater global cyber situational awareness and incident response; (6) co-hosted a cyber security seminar in New Delhi; and (7) participated in OAS Cyber Practitioner's Workshops in Canada and Brazil, which developed a regional computer security incident response framework and established the incident response points of contact network.

- The O&A Public Policy component supported three congressional hearings, including drafting testimony, preparing for testimony, and responding to questions for the record.

In FY 2006, NCSD is planning on accomplishing the following goals:

- The US-CERT Cyber Watch Center will (1) continue to deliver a 24x7x365 watch and warning center capability; (2) increase real-time communications with public- and private- operational partners; and (3) improve and test NCRCG and US-CERT operational procedures.

- The US-CERT Malicious Code Analysis will (1) continue to assess new software vulnerabilities and provide; (2) enhance the Common Malware Enumeration Program with anti-virus vendors and

Incident Response Community; and (3) produce reports and white papers on identification and mitigation strategies for malware.

- US-CERT Strategic Operations will (1) test the ability to convene the Government Forum of Incident Response and Security Teams (GFIRST) in time of crisis and continue to refine the methods of contacting this community; (2) hold the second national GFIRST conference in the spring of 2006; (3) make a federalized version of the Computer Network Defense Service Provider (CNDSP) metrics available to the Federal Government and conduct pilot evaluations against these metrics; (4) develop Computer Forensics capability that will offer support to federal agencies and civilians; (5) complete CNDSP review of US-CERT and implement corrective actions as appropriate; and (6) implement the Federalized version of CNDSP metrics within four pilot sites.

- The US-CERT Mission Operating Environment program will improve its capability and enhance its survivability in FY 2006. Additional systems will be integrated to provide more redundancy and eliminate single points of failure. The MOE will initiate plans to incorporate with agency continuity of operations (COOP) requirements.

- The US-CERT Situational Awareness team will (1) continue to integrate Einstein systems at the remaining federal cabinet-level agencies, several state governments, and additional independent federal government agencies; (2) incorporate Trickler with Einstein for passive vulnerability identification; and (3) provide on-going training to Einstein users.

- LE&I will (1) conduct a project to identify, document, and disseminate official Points of Contact (POCs), capabilities, and activities of existing LE and cyber security information sharing programs at all levels nationally; (2) co-host the annual "State of the State" conference; (3) continue support of the Cybercop Portal; (4) co-sponsor the National Cyber Crime Survey with the Department of Justice; (5) participate in the Technical Support Working Groups; (6) coordinate with the NCRCG members to facilitate federal coordination of the various response activities conducted during cyber incidents; (7) continue to develop the ability to receive cyber threat/attack data, analyze and fuse it, and disseminate at the appropriate level to the U.S. Government, the critical infrastructures, and the private sector; and (8) implement the Credit Card Seeding Project, which set ups "dummy" credit card accounts, monitors who is accessing these accounts, and analyzes how the money is used.

- The SI Critical Infrastructure Protection Cyber Security (CIPCS) Program will (1) develop an IT sector vulnerability assessment methodology and compile FY 2006 vulnerability assessment information; (2) update the IT SSP as part of the annual review process; (3) collaborate with the Intelligence Community to enable more comprehensive cyber strategic threat assessments; (4) continue to provide cross-sector cyber security guidance to SSAs and federal agencies; and (5) host the Internet Disruption Working Group (IDWG) Forum.

- The SI Training and Education Program will (1) continue to expand and enhance both the CAEIAE and SFS programs; (2) promote a more efficient SFS program by increasing participation of federal agencies; (3) initiate development of a national Information Systems Security (ISS) skill baseline and common body of knowledge (CBK) to facilitate professional certification efforts; and (4) establish partnerships with universities to better prepare the Nation's future business leaders to plan, implement, and manage private sector critical infrastructure protection.

- The SI Software Assurance Program will (1) publish the Secure Software Common Body of Knowledge (CBK); (2) develop a pilot training and education curriculum consistent with the CBK; (3) conduct two semi-annual Software Assurance Forums; (4) launch the "Build Security In" web-based central repository of recommended standards, practices, and technologies for secure software development; (5) publish the "Security in the Software Lifecycle" Developer's Guide v 1.0 and an "Acquisition Manager's Desktop Guide;" (6) develop a business case to support lifecycle use of security best practices; (7) continue to collaborate with NIST to conduct a survey of existing software assurance tools and metrics for effectiveness of these tools; and (8) publish a Software Security Measurement Guide.

- The SI Cyber Exercise Program (CEP) will (1) conduct the National Cyber Exercise: Cyber Storm with federal, state, and international government and industry participants; (2) conduct regional cyber security exercises under PNWER's Exercise Blue Cascades III and additional regions as they are developed; (3) participate in the after-action process in order to assess participant satisfaction to improve future exercise design; and (4) conduct a series of follow-on exercises with the NCRCG and other participant groups focused on lessons learned from Cyber Storm to increase operational capabilities under the National Response Plan and enhance public and private sector collaboration.

- The SI Standards and Best Practices Program will continue to (1) promote common naming conventions for vulnerabilities and malicious code; (2) enhance the database to improve access to vulnerability information; and (4) work with standards and other bodies to improve overall state of cyber security.

- The SI Control Systems Program will continue to enhance the US-CERT capabilities to manage and respond to control system-related cyber incidents. The Program also will validate the Control Systems Security Framework's protection guidelines and self-assessment tools in order to make them available to industry. Additional efforts will be aimed at enhancing and expanding control systems vulnerability assessments and increasing awareness of the potential impacts of a cyber attack on a control system through workshops and demonstrations.

- The O&A Program will (1) coordinate with the Information Technology Sector Coordinating Council, Information Technology Information Sharing and Analysis Center (ISAC), Cross-Sector Coordinating Council, and the ISAC Council in order to advance collaborative processes established under the National Infrastructure Protection Plan; (2) continue to develop working relationships and activities with federal agencies and Multi-State Information Sharing and Analysis Center (MS-ISAC) to increase reach to government stakeholders at all levels; (3) maintain a working relationship with National Cyber Security Alliance (NCSA) and actively develop strategies to incorporate NCSD key messages in NCSA working group activities for outreach to consumers, K-12, and small businesses; (4) coordinate with Office of Domestic Preparedness and Science and Technology Directorate on development and implementation of a community based cyber security program; and (5) work to establish a national program comprised of local teams of volunteers with expertise in relevant areas of science and technology, to assist local communities to respond and recover from attacks on information systems.

- The O&A International Affairs component will (1) continue to develop, participate, and collaborate in cyber security programs in the Organization of Economic Cooperation and Development (OECD), Organization of American States (OAS), Group of Eight (G-8) Critical Information

Infrastructure Protection (CIIP) Directory, "Usual 5" key U.S. allies, Joint Contact Group meetings, and Asia Pacific Economic Cooperation (APEC); (2) continue to establish a US – CERT International collaboration portal to provide a mechanism for communication among international counterparts; (3) continue to develop and implement action plans for additional bilateral working groups that evolve from outreach to collaborative engagement on information sharing, watch and warning, incident response and strategic initiatives; (4) host a multilateral conference with the 15 countries of the International Watch and Warning Network; (5) implement Security and Prosperity Partnership cyber security working group action plans with Canada and Mexico.

- The O&A Public Policy Component will continue to develop and provide input into cyber security related public policy efforts; support congressional hearings as they occur; and respond to Congressional letters from members and other inquiries from Congress.

In FY 2007, NCSD is projecting to accomplish the following goals:

- Increase US-CERT investments in cyber situational tools to analyze the health of federal and non-federal systems and enhance NCSD's capability to contribute to the overall federal effort to monitor and assess the cyber environment, and continue to refine and expand upon its planned programmatic accomplishments for FY 2006. Specifically, NCSD will: expand operational abilities of the Cyber Watch Center; malicious code analysis; Einstein; Government Forum of Incident Response Teams (GFIRST); and Chief Information Security Officer Forum (CISO). Additionally, (1) US-CERT Strategic Operations program will assist agencies in developing formal forensic policies and procedures based on best practices; (2) US-CERT Strategic Operations will begin the process of evaluating federal agencies against the Computer Network Defense Service Provider (CNDSP) metrics; and (3) US-CERT Mission Operating Environment (MOE) team will complete a technology review and initiate a coordinated integration plan.

- LE&I will continue to refine and expand upon its planned programmatic accomplishments for FY 2006 including: official law enforcement Points of Contact (POCs); Cyber Cop Portal; State of the State Conference; National Cyber Security Survey; participation in Technical Support Working Groups (TSWG); facilitation of the National Cyber Response Coordination Group (NCRCG); facilitation of federal coordination of various response activities; analysis and dissemination of cyber attack and threat data in classified and unclassified reports; production of "unUsual Suspects" reports; and the Credit Card Seeding Project.

- Strategic Initiatives (SI) will continue to refine and expand upon its planned programmatic accomplishments for FY 2006 including: critical infrastructure protection of cyber security; cyber security and training activities; software assurance; cyber exercises; standards and best practices; and control system security. Additionally, (1) SI Software Assurance will host a workshop to conduct a security measurement validation and update to practical Software & Systems Measurement; (2) SI Software Assurance will develop and publish a report on software assurance acquisition and development, including templates for procurement and outsourcing and criteria for evaluating software suppliers; and (3) SI Control Systems Security Program will establish risk metrics based on FY 2005- 2006 data collection and assessments.

- The Outreach and Awareness (O&A) Program will continue to refine and expand upon its planned programmatic accomplishments for FY 2006 to coordinate and develop internal and external communications; ensure consistent cyber security messaging; ensure collaboration on internal and

external NCSD events; and build and maintain trusted relationships among and between industry, government, and academia to raise cyber security awareness and effectively secure cyberspace.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security
Program Performance Justification
(Dollars in thousands)

PPA: National Security / Emergency Preparedness (NS/EP) Telecommunications

	Perm Pos	FTE	Amount
2005 Actual*	...	...	**$137,523**
2006 Revised Enacted	...	...	**$141,206**
2007 Adjustments-to-Base	...	...	2,066
2007 Current Services	...	...	**$143,272**
2007 Program Change	...	...	...
2007 Request	...	...	**$143,272**
Total Change 2006-2007	...	...	2,066

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

The Preparedness Directorate requests $143,272,000 for NS/EP. This is an increase of $2,066,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
NS/EP Telecommunications supports the National Communications Systems (NCS) in: (1) the exercise of their homeland security-related telecommunications functions and responsibilities, and (2) the coordination of the planning for and provision of national security and emergency preparedness communications for the federal government under all circumstances, including crisis or emergency, attack & recovery and reconstitution. Specifically, NS/EP Telecommunications:

- Provides government priority telecommunications services, a robust operational level analytical capability of the Nation's telecommunications infrastructure, information sharing forums, alternate communications systems, 24/7 watch operations support, and an interface with industry;
- Administers the National Coordinating Center (NCC) for Telecommunications to facilitate the initiation, coordination, restoration and reconstitution of NS/EP Telecommunications services or facilities under all circumstances;
- Develops and ensures that plans and programs are implemented that support telecommunications infrastructure hardness, redundancy, mobility, connectivity and security; and,
- Serves as the focal point for joint industry, government and interagency NS/EP telecommunications strategic planning and partnerships.

Preparedness executes the NS/EP Telecommunications mission through the following major subprograms:

- Priority Telecommunications - a diverse set of mature and evolving activities designed to ensure priority use of telecommunications services by NS/EP users during times of a national crisis.
- Study and Enhance Telecommunications - administers and funds a number of activities that directly support the NS/EP mission, focusing on telecommunications network resiliency, security, performance and vulnerability.
- Critical Infrastructure Programs (CIP) - Provides NCC operations and implements CIP operations, plans and, policy; conducts training and exercises; provides Network Security Information Exchanges (NSIE); and operates priority telecommunications services.
- Industry - Government and Interagency Processes - promotes joint planning, operational activities, coordination and information sharing related to the protection, restoration and recovery of the critical telecommunications infrastructure through well-established, mature relationships with the telecommunications industry and other federal agencies.

In FY 2005, NS/EP accomplished the following:

Priority Telecommunications:

- Increased total Wireless Priority Service (WPS) users to 23,079, and completed WPS full operating capability deployment in the networks of T-Mobile, Nextel, and Cingular. T-Mobile and Sprint Nextel (iDEN) have fully deployed WPS and Cingular will complete WPS deployment FY 2006.
- Increased total distributed Government Emergency Telecommunications Service (GETS) cards to 110,540,000 by end of FY 2005.
- Continued to improve and enhance the GETS capability to support Government users in time of crisis (e.g., during the Gulf Coast Hurricanes, users made over 40,000 GETS calls and over 4,000 WPS calls).
- Continued development of Next Generation Priority Service reference architecture (Version 2) based on industry trends.
- Analyzed standards based upon the NGN reference architectures with the NS/EP voice service overlay. Participated in ATIS and Internet Engineering Task Force-Next Steps in Signaling (IETF-NSIS) standards bodies developing signaling protocols, procedures, and requirements that enable priority treatment in Internet Protocol network.

- Wireless Priority Service (WPS), a program in the developmental phase, accomplished the following in FY 2005:
  - Completed deployment of WPS FOC in Sprint and Nextel (iDEN).
  - Completed deployment of WPS FOC Phase 1 in T-Mobile.
  - Developed vendor software for WPS GSM IOC Phase 2 and FOC capabilities.
  - Completed development of WPS FOC Phase 2 (GSM) features in Ericsson wireless switches.
  - Released final version of Universal Mobile Terminal Service (UMTS) Industry Requirements (IR) - Phase 1 WPS solution.
  - Completed development of WPS FOC (GSM) features in Siemens base stations.
  - Implemented Mobile Switching Center (MSC)-based FOC features in the Nextel network.
  - Developed internet congestion model that analyzes the effect of disruptive events on network performance.

Study and Enhance Telecommunications:

- Conducted modeling and analysis studies supporting NS/EP communications.
- Enhanced modeling capability (including tools and data).
- Responded to Committee on Foreign Investment in the Unites States (CFIUS) and Federal Communications Commission (FCC) requests for technical assessments of telecommunications companies.
- Published Code Division Multiple Access (CDMA) Signaling Control Point (SCP) standard.
- Analyzed the Electromagnetic Pulse (EMP) vulnerability of backbone Internet Protocol (IP) networks.
- Developed a route diversity methodology and conducted proof of concept testing for three federal agencies.
- Continued development of Next Generation Priority Service (NGPS) reference architecture (Version 2) based on industry trends.

Critical Infrastructure Programs:

- Provided 24x7 NCC Watch operations in support of the NS/EP telecommunications and telecommunications Information Sharing and Analysis Center (ISAC) mission.
- Expanded membership of NCC Telecom-ISAC to broaden the base of member expertise
- Refined NCC Communications-ISAC procedures and policies and addressed cross-sector issues with other ISAC entities.
- Continued to coordinate with appropriate operational and policy bodies including the Homeland Security Operations Center (HSOC), the National Infrastructure Coordination Center (NICC), the National Cyber Security Division's US-CERT and the White House Office of Science and Technology Policy (OSTP).
- Evaluated and expanded the Alerting and Coordination Network (ACN) membership and conducted multiple ACN operational exercises.
- Ensured SHARES readiness in support of the NS/EP telecommunications mission and addressed membership participation.
- Exercised COOP/ECG procedures and increased the knowledge and skills of staff in these procedures.
- Co-sponsored a classified Inter-Agency test program that provided a quantitative assessment of the communications capabilities of federal departments and agencies (D/As) as described in the COOP Communications Plan (CCP).
- Participated in international bilateral discussions, including activities with Mexico, Canada, U.K., Japan, India and the Netherlands.
- Authored the Telecommunications Annex of the U.S. International CIP Strategy document and coordinated the document through the Department of State.
- Authored telecommunications inputs to the White House Security and Prosperity Partnership (SPP) security agenda.
- Examined the undersea cable system for vulnerabilities (to include impacts on voice and data traffic) and developed an issue paper to describe those vulnerabilities.
- Coordinated with industry on the development of policy and procedures for sharing, handling and protecting sensitive and proprietary Telecommunications data and analyses.
- Activated national and regional elements for ESF #2 in response the emergency conditions created by Hurricanes Dennis, Emily, Katrina, Rita, and Wilma.
- Supported assessment, recovery, and restoration of communications services (wireline, wireless, broadcast, and Public Safety radio) in the Gulf Coast region.

- Coordinated with industry on the development of a Standard Operating Approach to describe the communications service restoration process in the aftermath of Hurricanes Katrina and Rita.

Industry - Government and Interagency Processes:
- Provided Secretariat support for the President's National Security Telecommunications Advisory Committee (NSTAC).
- Conducted analysis of industry trends and emerging technologies.
- Provided Secretariat support for the NCS Committee of Principals (COP), to include technical, logistical, executive, planning and managerial support in the identification, development, and analysis of communications issues and solutions.
- Participated in the Continuity of Communications Working Group (CCWG) to develop an architecture that will support the performance of Federal Executive Branch minimum essential functions and processes under all circumstances, including crisis or emergency, attack, recovery, and reconstitution.
- Developed a description of the Next Generation Networks (NGN) and analyzed how the NS/EP functional requirements, user requirements, and responsibilities will change on the NGN, and tested NGN service scenarios against possible threats.
- Worked to exercise our responsibilities as Sector Specific Agency for Telecommunications as part of HSPD-7 and the National Infrastructure Protection Plan.

In FY 2006, NS/EP plans to accomplish the following goals:

Priority Telecommunications:
- Increase total WPS users to 30,000.
- Implement Special Routing Arrangement Service (SRAS) in the MCI and Sprint networks
- Implement SRAS access and routing features in local exchange networks.
- Complete deployment of WPS FOC in the Cingular network.
- Complete development of CDMA FOC Phase 1 - WPS features in Lucent switches and base stations.
- Complete development of WPS modifications in Qualcomm Q-SEC 2700 handsets.
- Commence development of CDMA FOC Phase 2 - WPS features in Nortel and Lucent switches and base stations.
- Complete deployment of CDMA FOC Phase 2 in T-Mobile.
- Engineer and develop UMTS WPS Phase 1.
- Deploy FOC Phase 1 in initial CDMA carrier network.
- Provide outreach to qualified NS/EP personnel that will increase the WPS user base.
- Provide operations and maintenance support required to meet goals for authorizing new WPS users and responding to customer requests for support.
- Increase total GETS cards to 118,000.
- Identify, develop and implement routing and signaling enhancements in the AT&T network.
- Deploy AT&T GETS/SRAS Internet Protocol (IP) Common Backbone IOC.
- Commence development of AT&T GETS/SRAS IP Common Backbone FOC features.

Study and Enhance Telecommunications:
- Conduct NS/EP communications modeling and analysis studies.
- Maintain and enhance modeling capabilities (tools and data).
- Respond to CFIUS and FCC requests for technical assessments of telecom companies

- Continue to conduct route diversity analyses with individual departments and agencies, as requested.
- Continue to develop prototype capability for priority services over the Internet.
- Investigate technology solutions in support of route diversity e.g., broadband wireless access (BWA), WiMax.
- Conduct environmental performance testing of technology solutions in support of route diversity.
- Develop SCADA communications modeling and analysis capability.
- Investigate next generation monitoring and control networks in support of electric power
- Conduct real-time electric utilities network performance characterization in support of control system modeling.
- Work with industry standards organizations to ensure that Emergency Telecommunications Service (ETS) security requirements are included in NGN standards.
- Coordinate enhancements to signaling systems in support of ETS.
- Ensure that the developing Next Generation Networks - Release 1 requirements includes support for NS/EP priority services.
- Continue research on Telecommunications Electromagnetic Disruptive Effects (TEDE).
- Continue research on satellite systems utility and vulnerabilities.
- Expand GPS timing utilization and vulnerability investigations.
- Continue analysis of NGN and wireless communications vulnerabilities.

Critical Infrastructure Programs:

- Participate in international exchanges/bilateral agreement development and apply lessons learned to NCC operations.
- Coordinate Homeland Security Telecommunications Link (HSTL) installations on behalf of Secretary Chertoff.
- Execute ESF #2 response and recovery duties and conduct readiness training under the NRP.
- Support Telecom- ISAC functions; expand direction / memberships; assess technology impacts.
- Maintain 24x7 NCC Watch operations in support of NS/EP communications ISAC mission.
- Chair the NATO CCPC Ad Hoc Working Group on Response to Terrorism and to revise NATO document AC/98-D7184 "Censorship of International Communications in Time of War".
- Continue to participate in semi-annual bilateral meetings with Mexico and Canada.
- Share Wireless Priority Service engineering protocols and GETS functions for cross border functions with Canada.
- Move to new location - new 24x7 Watch facility.
- Continue to sponsor and host NCC semi-annual meeting at the NCC with participation from the Communications ISAC and NCC industry and government membership.
- Continue the development and orchestration of cross-sector forum discussions with other ISACs for the purpose of identifying interdependencies and cross-sector vulnerabilities.
- Finalize, implement and document an analytical framework for conducting up to four in-depth telecommunication assessments of high profile geographical areas.
- Establish a "Core Analytical Team"- composed of representatives from several organizations- along with standard operating procedures to support the analytical needs of emergency response operations.

- Identify, evaluate, and select a framework to assess the dependency between telecommunications and other critical infrastructures to calculate the criticality of the relationships.
- Conduct risk assessments on a minimum of 50 "high interest" telecommunication assets.
- Provide analytical support during emergency operations and on an as requested basis.
- Develop, test and implement a methodology to serve as the focal point for state and local telecommunication data and analytical requests.
- Plan in the development, coordination and execution of exercises and as a result assess vulnerabilities of the telecommunications networks.

Industry - Government and Interagency Processes:

- Provide secretariat support for the President's National Security Telecommunications Committee (NSTAC), including four quarterly NSTAC Principal conference calls, an annual full-committee meeting, monthly Industry Executive Subcommittee meetings, and over 200 task force, working group, and ad hoc meetings.
- Submit NSTAC membership analysis and recommendations for committee composition to the President
- Hold an R&D Exchange for industry, Government and academia.
- Provide secretariat support for the NCS Committee of Principals (COP) to include: technical, logistical, executive, planning and managerial support in the identification, development, and analysis of NS/EP communications issues and recommended solutions.
- Support an NCS COP working group to help develop an architecture that will support the performance of Federal Executive Branch minimum essential functions and processes under all circumstances, including crisis or emergency, attack, recovery, and reconstitution.
- Support an NCS COP working group to address current and emerging priority telecommunications services.
- Revise or establish NCS Issuances on NS/EP policies, programs, and procedures.

In FY 2007, NS/EP plans to accomplish the following goals:

Priority Telecommunications:

- Increase total WPS users to 39,000.
- Begin development of vendor software to migrate WPS functionality with NGN.
- Identify, develop and implement routing and signaling Next Generation Network IP enhancements in the GSM Carriers' networks (UMTS).
- Complete development of CDMA FOC Phase 2 WPS features in Nortel switches and base stations.
- Achieve Lucent CDMA FOC Phase 2 General Availability.
- Deploy FOC Phase 2 in two CDMA carrier networks.
- Increase total GETS cards to 136,000.
- Begin to engineer the migration of GETS and SRAS functionality to an all IP network infrastructure.
- Identify, develop and implement routing and signaling NGN enhancements in the AT&T, MCI and Sprint networks.
- Test and implement GETS/SRAS in AT&T's IP Common Backbone FOC network.
- Provide outreach to qualified NS/EP personnel that will grow the GETS user base.

Study and Enhance Telecommunications:

- Conduct NS/EP communications modeling and analysis studies.
- Maintain and enhance modeling capability (tools and data).
- Respond to CFIUS and FCC requests for technical assessments of telecom companies.
- Conduct route diversity analyses with individual departments and agencies, as requested.
- Continue development of prototype priority mechanism for voice, video, and other services over IP networks.
- Investigate technology solutions in support of route diversity e.g., broadband wireless access (BWA), WiMax.
- Conduct environmental performance testing of technology solutions in support of route diversity.
- Continue research on Telecommunications Electromagnetic Disruptive Effects (TEDE).

Critical Infrastructure Programs:

- Coordinate next generation network application ideas and issues with Canadian counterparts.
- Host quadrilateral discussions with representatives from the U.K., Canada and Mexico to share ideas and vet appropriate procedures aimed at decreasing vulnerabilities.
- Coordinate Homeland Security Telecommunications Link (HSTL) installations on behalf of Secretary Chertoff.
- Continue to represent the U.S. in NATO's CCPC and provide expertise and guidance to CCPC white papers.
- Participate in bilateral meetings and present ideas with a focus on the telecommunications infrastructure in support of the Under Secretary for Preparedness.
- Continue to study open architecture GIS programs to meet operational capability requirements.
- Maintain 24x7 NCC Watch operations in support of the NS/EP Communications ISAC mission
- Continue the development and orchestration of cross-sector forum discussions with other ISACs for the purpose of identifying interdependencies and cross-sector vulnerabilities.
- Perform ESF #2 duties in support of events and ensured readiness through planning and participation in training activities.
- Conduct and document up to 6 in-depth telecommunication assessments of high profile geographical areas.
- Apply a framework to assess the dependency between telecommunications and other critical infrastructures to calculate the criticality of the relationships.
- Conduct risk assessments on a minimum of 50 "high interest" telecommunication assets.
- Provide analytical support during emergency operations and on an as requested basis.
- Serve as the focal point for state and local telecommunication data and analytical requests.
- Coordinate an infrastructure interdependency exercise/table-top with at least five critical infrastructures.
- Coordinate government/private sector participation in emergency response exercises.
- Participate in the planning, coordination and execution of Exercise TOPOFF 4 and PINNACLE.
- Produce the biennial Assessment of the Risk to the Security of the Public Network.
- Sponsor a vulnerability assessment and/or cyber exercise.

Industry - Government and Interagency Processes:

- Provide continued support to the NCS Committee of Principals, to include: technical, logistical, executive, planning and managerial support in the identification, development, and analysis of NS/EP communications issues and recommended solutions.
- Maintain strong relations with the telecommunications industry and the NCS COP to facilitate joint planning, operational activities, coordination of assessments, information sharing, and restoration and recovery of the critical telecommunications infrastructure.
- Provide continued support to the President's National Security Telecommunications Advisory Committee (NSTAC), comprised of up to 30 chief executives, which provides policy-based recommendations to the President regarding NS/EP communications.
- Collaborate with the National Infrastructure Advisory Council (NIAC) and other industry and governmental bodies involved in continuity communications, critical infrastructure protection, and homeland security.
- Provide Secretariat support for the President's National Security Telecommunications Committee (NSTAC), including four quarterly NSTAC Principal conference calls, an annual full-committee meeting, monthly Industry Executive Subcommittee meetings, and over 200 task force, working group, and ad hoc meetings.
- Submit NSTAC membership analysis and recommendations for committee composition to the President.
- Support NCS COP working groups to address emerging continuity communications matters and minimum essential functions and processes under all circumstances, including crisis or emergency, attack, recovery, and reconstitution.
- Continue to assist industry in analyzing convergence issues in Next Generation Networks with regard to NS/EP functional and user requirements.
- Continue to support industry and Government preparations regarding telecommunications for National Security Special Events (NSSE).
- Assist in the implementation of the National Response Plan, particularly the Emergency Support Functions relating to Communications and Information Technology.
- Revise or establish NCS Issuances on NS/EP policies, programs, and procedures.
- Contribute to the implementation and management of activities of the National Infrastructure Protection Plan.
- Continue to monitor the implementation of the Telecommunications Sector Specific Plan in response to Homeland Security Presidential Directive-7.

IV. Program Justification of Changes

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Homeland Security Presidential Directive – 7 and the National Infrastructure Protection Plan

Strategic Goal(s) & Objective(s): Protection 3.2 - 100%: Reduce infrastructure vulnerability from acts of terrorism.

PPA: Critical Infrastructure Outreach and Partnerships

Program Increase: Positions ___ FTE ___ Dollars $35,000

Funding Profile

	FY 2005 Actual*			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									4,059
Program Increase									35,000
Total Request						**4,059**			**39,059**

* The Preparedness Directorate did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

Description of Item
A total increase of $35 million is requested for Homeland Security Presidential Directive – 7 and the Nation Infrastructure Protection Plan (NIPP). Of this total $5 million is for the NIPP program office and $30 million is for NIPP implementation.

Justification
Homeland Security Presidential Directive – 7 directs DHS to coordinate the national infrastructure protection effort. The NIPP is the risk-based framework and strategy that guides this effort. The NIPP Program Management Office will coordinate, socialize and implement the NIPP through partnerships across all CI/KR sectors, measure program effectiveness and provide on-going NIPP program maintenance through annual and triennial reviews, and promote the education and training of federal, state, and local officials and private sector stakeholders. Additionally, program management support will be provided to the Sector-Specific Agencies (SSA) for each of the 17 sectors on final development and approval of the Sector-Specific Plans. As part of the Department's support of national CI/KR protection missions, goals and objectives DHS will support the implementation of sector-specific plans (SSP) by coordinating with sector-specific agencies to: 1) develop sector-specific criteria, tools and requirements; 2), measure sector program effectiveness and 3) conduct outreach and engagement with sector security partners.

1) Development of Sector-specific criteria, tools, and requirements
DHS will work with SSA and sector security partners to develop sector-specific criteria, tools, and requirements to support SSP implementation that may include, but is not limited to:
- Asset Identification Criteria (including cyber and international)
- Prioritization Criteria
- Vulnerability Assessment Tools
- Interdependencies between and among assets, systems, and sectors
- Recommended protective measures
- Best practices and lessons learned
- Information protection processes and procedures
- Information sharing mechanisms
- Training modules and programs

2) Measure sector program effectiveness
DHS will work with the SSA to establish sector-specific metrics and measures to evaluate SSP implementation and overall program effectiveness. This will include consideration of possible resource requirements and identifying and communicating obstacles to effective infrastructure protection.

3) Conduct outreach and engagement with security partners
The NIPP Base Plan and SSP implementation and the Outreach and Engagement process will require DHS and SSA to build partnerships and alliances with inter-governmental and sector-specific security partner constituencies involved with and supportive of the implementation process; to develop mechanisms for wider, direct public and private sector participation in the implementation process; to communicate and initiate NIPP Base Plan and SSP implementation as the basis for all our actions; and to enter into dialogue with as wide a range of the target audience as possible.

The approach to establishing stakeholder engagement is divided into three components: inter-governmental, state, territorial, local, and tribal governments, and private sector security partners. Although these three components speak to distinct constituencies, the engagement will occur concurrently. They represent venues for promoting common efforts and ensuring two-way exchange of information. DHS in coordination with the SSA will facilitate meetings and conferences in order to begin development of a consensus positions on the way forward for implementing and engaging our security partners on the plans.

- *Inter-Governmental Stakeholder Engagement* - DHS will work directly with the SSA and the NIPP Senior Leadership Council to implement and address inter-governmental engagement activities. DHS, SSA, and the NIPP Senior Leadership Council recognize that they must continue to work closely with all executive branch departments and agencies in order to meet expectations for an effective and inclusive process to implement the NIPP Base Plan and the SSP. This process will create a forum for education and discussion of the national critical infrastructure protection effort by agencies or parts of agencies.
- *State, territorial, local, and tribal governments* - DHS will work directly with the SSA to coordinate and address all state, territorial, local, and tribal engagement and implementation activities. In order to advance this process, significant involvement from the state, territorial, local, and tribal entities is required.

- *Private Sector Security Partners* - DHS will work directly with the SSA to coordinate and address all security partner engagement activities associated with the implementation of the NIPP Base Plan and the SSP.

Since March 2003, much has been accomplished to protect the Nation's CI/KR but much more is needed. The NIPP will be issued during 2006. In 2007, sector specific plans will be fully developed for each of the 17 CI/KR sectors. These plans will outline the steps DHS and other Federal agencies will take in identifying assets, systems and networks; assessing vulnerabilities and consequences; and developing protection initiatives and priorities based upon the risk management framework. For 2007, $30 million is requested for the Office of Infrastructure Protection for sector specific protective programs targeted at the highest priority initiatives that are considered nationally critical. This funding will enable DHS to be responsive to closing the most critical vulnerabilities that may arise unexpectedly but must be addressed immediately. This funding will be a critical component of the overall NIPP risk based resource allocation process that will encompass all infrastructure protection programs, initiatives, and priorities across all CI/KR sectors. When combined with the prioritized funding requests from the sector specific agencies and the federal grant programs targeted at CI/KR, these funds will enable the Office of Infrastructure Protection to respond to our nation's most urgent CI/KR vulnerabilities while we are ensuring that we are applying our resources towards our most critical needs across the 17 CI/KR sectors.

NIPP Implementation

Sector Building Activities	Process Development Activities
Private Sector Engagement: ✓ Develop stakeholder engagement process ▪ DHS create sector-specific stakeholder plans and calendars ✓ Implement security partner engagement process	**Asset Identification** ✓ DHS coordinate with SSA regarding data collection needs ▪ Describe DHS/SSA approach to data collection needs ▪ Develop bulletin ▪ Hold technical assistance meeting between DHS, SSA, and support agencies
SSA Engagement ✓ DHS re-engages with SSA following NIPP Base Plan delivery ✓ Develop guidance on revising the SSP ✓ Engage with SSA regarding security partner engagement ▪ DHS and SSA meet to discuss impacts of engagement strategy ✓ Engage with SSA regarding SSP revision process Issue guidance on annual reports/SSP updates	**Vulnerability Assessment** ✓ Conduct Vulnerability Assessments ✓ Determine process for collecting and protecting VA data from SSA and security partners ✓ Determine process for sharing vulnerability information back with sectors ✓ Review vulnerability assessments for common themes ✓ Develop default methodologies for sectors
State, Local, and Tribal Engagement ✓ Establish state and local roles in NIPP councils ✓ Engage with state and local agencies	**Interdependency Analysis** ✓ Identify existing methodologies

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▪ Provide HSAs with outreach tools ▪ Develop state methodology ▪ Develop business case ✓ Develop link between NIPP plans and grants	
International Engagement	**Prioritization**
Intra-Federal Engagement ✓ Develop outreach tools ▪ Expand NIPP Development Bulletin ▪ Develop Tool Kit ▪ Conduct briefings and brown bags ▪ Schedule meetings ▪ Present at conferences	**Protection** ✓ Develop normalization process for DHS, and share with SSA as appropriate ✓ Develop long-term prioritization approaches ✓ Document process for prioritizing under specific threats
Program measurement	**Program measurement**
Outcomes: Operating SCC and GCC State NIPP plans	**Outcomes**: Implement NIPP Base Plan Revised SSP

Impact on Performance (Relationship of Increase to Strategic Goals)

DHS, in close coordination with the SSA, will:

- Distribute Security Partner Engagement Guidance
- Draft Engagement Plan
- Schedule Engagement Activities
- Begin Implementation

The NIPP is consistent with, and is a cornerstone of the department's implementation of HSPD -7, the critical infrastructure identification, prioritization, and protection, as well as the Secretary of Homeland Security's Risk Management goals. DHS, in close coordination with the SSA and in compliance with departmental guidance, will develop and implement the NIPP Processes at the National and sector levels:

- Training;
- Asset identification;
- Prioritization criteria;
- Vulnerability assessment;
- Performance metrics & reporting;
- Interdependencies;
- Information protection;
- Information sharing;
- Cyber element;
- Human element;
- Physical element & protective measures;
- Risk assessment/definition; and,
- International.

Program Increase 2: Chemical Security Office

Strategic Goal(s) & Objective(s): Protection 3.2 - 100%: Reduce infrastructure vulnerability from acts of terrorism.

PPA: Protective Actions

Program Increase: Positions ___ FTE ____ Dollars $10,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level									$0
Program Increase									$10,000
Total Request						**$0**			**$10,000**

Description of Item
A total of $10,000,000 is requested for the establishment of a Chemical Security Office.

Justification
The Office of Infrastructure Protection will establish a Chemical Security Office to reduce the risk posed to the chemical sector from a potential terrorist attack. Security of the chemical sector is vitally important: It is a very high priority for DHS to reduce the risk from terrorism by implementing collaborative security strategies with federal, state, local, and private sector partners—to protect the nation's chemical infrastructure.

DHS has determined that a chemical security office would help ensure that DHS have the proper tools to address threats facing the chemical industry, now and in the future. To close the existing gaps and reduce risk across the chemical sector, the office would adhere to certain core principles.

- Not all facilities present the same level of risk, and that the most scrutiny should be focused on those that, if attacked, could endanger the greatest number of lives, have the greatest economic impact or present other very significant risks. There are certainly many chemical facilities in the United States that pose relatively low risk.

- Facility security should be based on reasonable, clear, equitable performance standards. The Department should develop enforceable performance standards based on the types and severity of potential threats posed by terrorists, and facilities should have the flexibility to select among appropriate site-specific security measures that will effectively address those threats.

DHS has identified five areas as the focus of our primary preparedness work with the industry: (1) access and access control; (2) operational security; (3) process control; (4) facility systems operations; and (5) local first responder and external response and recovery coordination. The new office would work with industry in these areas to ensure the current scope and level of protection efforts will be sufficient to address gaps and threats.

Impact on Performance (Relationship of Increase to Strategic Goals)
The establishment of a Chemical Security Office to establish standards and ensure strong safeguards are in place will reduce the chemical industry critical infrastructure vulnerability from acts of terrorism and natural disasters.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Preparedness Directorate
Justification of Proposed Changes in Infrastructure Protection and Information Security
Appropriation Language

For necessary expenses for infrastructure protection and information security programs and activities, as authorized by title II of the Homeland Security Act of 2002 (6 U.S.C. 121 et seq.), [$625,499,000] ***$549,140,000***, of which [$542,157,000] ***$464,490,000*** shall remain available until September 30, [2007] ***2008***.

Explanation of Changes:

No changes are requested.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual*	N/A	N/A	N/A
2006 Revised Enacted	445	445	$ 619,244
Adjustments-to-Base			
Transfers to and from other accounts:			
CFIUS to Policy Directorate	---	---	$ (1,650)
Total Transfers	---	---	$ (1,650)
Increases			
Annualization of prior year part year funding	---	---	$ 6,609
2007 pay increase	---	---	$ 961
GSA Rent	---	---	$ 727
Non-pay inflation excluding GSA Rent	---	---	$ 3,605
Total Increases	---	---	$ 11,902
Decreases			
Net Base Changes	---	---	$ (125,356)
Total Decreases	---	---	$ (125,356)
Total Adjustments-to-Base	---	---	$ (115,104)
2007 Current Services	445	445	$ 504,140
Program Changes			
Program Increases/(Decreases)			
CIOP - NIPP Sector Sepecific Plans and Program Management	---	---	$ 35,000
PA - Chemical Security Office	---	---	$ 10,000
Total Program Changes	---	---	$ 45,000
2007 Request	445	445	$ 549,140
2006 to 2007 Total Change	---	---	$ (70,104)

*** The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the IAIP legacy agency.**

C. Summary of Requirements

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual*	N/A	N/A	N/A
2006 Revised Enacted	445	445	$ 619,244
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	$ (1,650)
Increases	---	---	$ 11,642
Decreases	---		$ (125,096)
Total Adjustments-to-Base	---	---	$ (115,104)
2007 Current Services	445	445	$ 504,140
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	$ 45,000
2007 Total Request	445	445	$ 549,140
2006 to 2007 Total Change	---	---	$ (70,104)

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 M&A	445	445	$ 82,509	---	---	$ 2,141	---	---	$ -	445	445	$ 84,650	---	---	$ 2,141
2 CIOP	---	---	$ 111,055	---	---	$ (44,955)	---	---	$ 35,000	---	---	$ 101,100	---	---	$ (9,955)
3 CIIE	---	---	$ 67,815	---	---	$ 3,816	---	---	$ -	---	---	$ 71,631	---	---	$ 3,816
4 NISAC	---	---	$ 19,800	---	---	$ (3,779)	---	---	$ -	---	---	$ 16,021	---	---	$ (3,779)
5 BIO	---	---	$ 13,959	---	---	$ (5,741)	---	---	$ -	---	---	$ 8,218	---	---	$ (5,741)
6 PA	---	---	$ 90,485	---	---	$ (68,442)	---	---	$ 10,000	---	---	$ 32,043	---	---	$ (58,442)
7 CS	---	---	$ 92,415	---	---	$ (210)	---	---	$ -	---	---	$ 92,205	---	---	$ (210)
8 NSEP	---	---	$ 141,206	---	---	$ 2,066	---	---	$ -	---	---	$ 143,272	---	---	$ 2,066
Total	**445**	**445**	**$ 619,244**	**---**	**---**	**$ (115,104)**	**---**	**---**	**$ 45,000**	**445**	**445**	**$ 549,140**	**---**	**---**	**$ (70,104)**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the IAIP legacy agency.

D. Summary of Reimbursable Resources

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual*			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Department of Defense - US Army	[42]	[42]	$0	42	42	$0	42	42	$0	---	---	---
Total Budgetary Resources	**[42]**	**[42]**	---	**42**	**42**	---	**42**	**42**	---	---	---	---

Obligations by Program/Project Activity	2005 Actual*			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Chemical Stockpile Emergency Preparedness Program (CSEPP)	[42]	[42]	$0	42	42	$0	42	42	$0	---	---	---
Total Obligations	**[42]**	**[42]**	---	**42**	**42**	---	**42**	**42**	---	---	---	---

* The Preparedness Directorate did not exist prior to FY 2006. Please see the FEMA section of the Budget for FY 2005 Actuals.

E. Summary of Requirements by Object Class

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Summary of Requirements by Object Class
(Dollars in Thousands)

	Object Classes	2005 Actual*	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1	Total FTE & personnel compensation	$ -	$ 36,118	$ 41,721	$ 5,603
11.3	Other than full-time permanent	$ -	$ -	$ -	$ -
11.5	Other Personnel Compensation	$ -	$ 1,119	$ 1,252	$ 133
11.8	Special Service Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ -	$ 12,032	$ 13,866	$ 1,835
13.0	Benefits - former	$ -	$ -	$ -	$ -
	Total, Personnel Comp. & Benefits	**$ -**	**$ 49,269**	**$ 56,839**	**$ 7,570**
Other Object Classes:					
21.0	Travel	$ -	$ 2,382	$ 4,693	$ 2,311
22.0	Transportation of things	$ -	$ -	$ -	$ -
23.1	GSA rent	$ -	$ 766	$ 1,493	$ 727
23.2	Other rent	$ -	$ 3,950	$ 4,017	$ 67
23.3	Communications, utilities, & other misc. charges	$ -	$ 28,104	$ 29,292	$ 1,188
24.0	Printing and reproduction	$ -	$ -	$ -	$ -
25.1	Advisory and assistance services	$ -	$ 261,803	$ 244,699	$ (17,104)
25.2	Other services	$ -	$ 19,175	$ 680	$ (18,494)
25.3	Purchases of goods & svcs. from Gov't accounts	$ -	$ 68,590	$ 62,481	$ (6,109)
25.4	Operation & maintenance of facilities	$ -	$ 1,202	$ 3,516	$ 2,313
25.5	Research and development contracts	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation and maintenance of equipment	$ -	$ 134,960	$ 120,122	$ (14,838)
25.8	Subsistence and support of persons	$ -	$ -	$ -	$ -
26.0	Supplies and materials	$ -	$ 1,939	$ 814	$ (1,125)
31.0	Equipment	$ -	$ 34,105	$ 7,328	$ (26,778)
32.0	Land & structures	$ -	$ 13,000	$ 13,166	$ 166
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -	$ -	$ -	$ -
43.0	Interest & dividends	$ -	$ -	$ -	$ -
44.0	Refunds	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
99.0	Other	$ -	$ -	$ -	$ -
	Total, Other Object Classes	**N/A**	**$ 569,976**	**$ 492,302**	**$ (77,674)**
	Total, Direct Obligations	**N/A**	**$ 619,244**	**$ 549,140**	**$ (70,104)**
	Unobligated balance, start of year	$ -	$ -	$ -	
	Unobligated balance, end of year	$ -	$ -	$ -	
	Recoveries of prior year obligations	$ -	$ -	$ -	
	Total requirements	**N/A**	**$ 619,244**	**$ 549,140**	**$ (70,104)**

*** The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the IAIP legacy agency.**

- **Permanent Positions by Grade**

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual* Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	8	8	---
Total, EX	---	---	---	---
GS-15	---	85	85	---
GS-14	---	229	229	---
GS-13	---	49	49	---
GS-12	---	35	35	---
GS-11	---	19	19	---
GS-10	---	---	---	---
GS-9	---	8	8	---
GS-8	---	4	4	---
GS-7	---	7	7	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	1	1	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	---	**445**	**445**	---
Unfilled Positions EOY	---	---	---	---
Total Perm. Employment EOY	---	445	445	---
FTE	---	**445**	**445**	---
Headquarters	---	299	299	---
U.S. Field	---	146	146	---
Foreign Field	---	---	---	---
Total Permanent Positions	---	**445**	**445**	---
Average ES Salary	$ ---	$ 193,308	$ 197,077	$ 3,770
Average GS Salary	$ ---	$ 117,054	$ 128,973	$ 11,920
Average GS Grade	---	13.53	14.04	0.51

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the IAIP legacy agency.

G. Capital Investment and Construction Initiative Listing
Preparedness Directorate
Infrastructure Protection and Information Security

N/A. There are none for the IPIS appropriation.

H. PPA Budget Justifications

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Management and Administration (M&A)
Funding Schedule
(Dollars in Thousands)

PPA: Management and Administration (M&A)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$0	$ 36,118	$ 41,721	$ 5,603
11.3	Other than perm	---	$ -	$ -	$ -
11.5	Other per comp	---	$ 1,119	$ 1,252	$ 133
11.8	Spec Srvc Pay	---	$ -	$ -	$ -
12.1	Benefits	---	$ 12,032	$ 13,866	$ 1,835
13.0	Benefits-former	---	$ -	$ -	$ -
21.0	Travel	---	$ 378	$ 389	$ 10
22.0	Transportation of things	---	$ -	$ -	$ -
23.1	GSA rent	---	$ 766	$ 766	$ -
23.2	Other rent	---	$ 3,950	$ 4,017	$ 67
23.3	Communication, Utilities, and misc charges	---	$ 5,117	$ 82	$ (5,036)
24.0	Printing	---	$ -	$ -	$ -
25.1	Advisory & Assistance Services	---	$ 19,825	$ 15,295	$ (4,530)
25.2	Other Services	---	$ -	$ 133	$ 133
25.3	Purchase from Govt. Accts.	---	$ 2,303	$ 3,138	$ 835
25.4	Operation & maintenance of facilities	---	$ 800	$ 3,381	$ 2,581
25.5	Research & Development	---	$ -	$ -	$ -
25.6	Medical care	---	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	---	$ -	$ -	$ -
25.8	Subsistence & Support of persons	---	$ -	$ -	$ -
26.0	Supplies & materials	---	$ 100	$ 610	$ 510
31.0	Equipment	---	$ -	$ -	$ -
32.0	Land & Structures	---	$ -	$ -	$ -
41.0	Grants/Subsidies/Contributions	---	$ -	$ -	$ -
42.0	Indemnity	---	$ -	$ -	$ -
91.0	Unvouchered	---	$ -	$ -	$ -
	Total, IPIS M&A	**$0**	**$ 82,509**	**$ 84,650**	**$ 2,140**
Full Time Equivalents		---	445	445	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

The IPIS M&A PPA includes the salary costs of FTE salary and locality pay, including benefits and awards. The administrative costs for IPIS include non-GSA rent, facilities fit out, office supplies, training and travel expenses. A portion of the DHS working capital fund items that are directly correlated to the FTE are funded out of M&A. Additionally, the administrative costs include support from the Office of the Under Secretary, including the CIO, Business Operations office, Front Office and Administrative Operations.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$49,269**	**$56,839**	**$7,570**

Salaries and Benefits includes costs for 445 FTEs. The FY 2007 request includes an increase of $960,741 for the proposed January 2007 2.2 percent increase in personnel compensation, $6,609,326 increase for annualization of previously vacant IPIS positions which were half year funded in FY 2006. The FY 2007 request includes an assumption of 95% staffed.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$0**	**$378**	**$389**	**$10**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes a non-pay increase of $10,000 due to the number of travelers increasing.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$766**	**$766**	**$0**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes a similar level of rent covered by IPIS M&A, $766,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$0**	**$3,950**	**$4,017**	**$67**

Other rent includes all payments to a non-federal source for rental space, land, and structures. The FY 2007 request includes an increase of 67,000 in WCF technical programmatic adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$5,117**	**$82**	**($5,036)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes technical programmatic decreases of $5,036,000 that partly funds the increased salary and benefit requirements in FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$19,825**	**$15,295**	**($4,530)**

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, state and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY2007 request includes a technical programmatic decrease of $2,862,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$0**	**$0**	**$133**	**$133**

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $133,000 in technical programmatic increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$2,303**	**$3,138**	**$835**

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $835,000 in WCF technical programmatic increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$800**	**$3,381**	**$2,581**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another federal government account. The FY 2007 request includes an increase of $2,581,000 for Guard Services and other technical programmatic increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$100**	**$610**	**$510**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY2007 request includes WCF increases for this object class of $510,000.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Critical Infrastructure Outreach and Partnership (CIOP)
Funding Schedule
(Dollars in Thousands)

PPA: Critical Infrastructure Outreach and Partnership (CIOP)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$ -	$ -	$ -	$ -
11.3	Other than perm	$ -	$ -	$ -	$ -
11.5	Other per comp	$ -	$ -	$ -	$ -
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ 55	$ -	$ -	$ -
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ 429	$ 156	$ 216	$ 60
22.0	Transportation of things	$ 11	$ -	$ -	$ -
23.1	GSA rent	$ -	$ -	$ 104	$ 104
23.2	Other rent	$ -	$ -	$ -	$ -
23.3	Communication, Utilities, and misc charges	$ -	$ 4,694	$ 6,283	$ 1,589
24.0	Printing	$ -	$ -	$ -	$ -
25.1	Advisory & Assistance Services	$ 55,524	$ 65,825	$ 90,303	$ 24,477
25.2	Other Services	$ 132	$ 10,655	$ -	$ (10,655)
25.3	Purchase from Govt. Accts.	$ 34,685	$ 12,846	$ 352	$ (12,494)
25.4	Operation & maintenance of facilities	$ 3,628	$ -	$ 70	$ 70
25.5	Research & Development	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ -	$ 10,551	$ -	$ (10,551)
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ 27	$ 275	$ 10	$ (265)
31.0	Equipment	$ 3,761	$ 3,363	$ 897	$ (2,466)
32.0	Land & Structures	$ -	$ 2,690	$ 2,866	$ 176
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -		$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
	Total, CIOP	**$ 98,254**	**$ 111,055**	**$ 101,100**	**$ (9,955)**
Full Time Equivalents		$ -	$ -	$ -	$ -

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

CIOP develops and maintains an organizational structure, operational tools and defined processes to assure a continuous state of awareness and alert. A robust organizational framework in support of all stakeholders facilitates the identification, prioritization, coordination, and protection of critical infrastructures/key resources. It also provides forums and networks to encourage sharing of information about threats, vulnerabilities, incidents, potential protective measures, and best practices that enhance response, mitigation and restoration activities.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$429**	**$156**	**$216**	**$60**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes increases of $59,754 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$0**	**$104**	**$104**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $103,544, which was included in IPIS M&A PPA in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$4,694**	**$6,283**	**$1,589**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $1,589,279 for program changes to CIOP.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$55,524**	**$65,825**	**$90,303**	**$24,477**

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, state and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request increases by $24,477,586. This is due in part to the program increase of NIPP Management and NIPP Sector Specific Plans, and the transfer out of CFIUS, a $1,650,000 decrease to CIOP's FY 2007 Base.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$132**	**$10,655**	**$0**	**($10,655)**

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $10,654,637 as funding for the datacenter at Stennis is not being requested in FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$34,685**	**$12,846**	**$352**	**($12,494)**

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request decreases by a net of $12,494,242 as the datacenter at Stennis is not being requested in FY 2007, which includes an increase of $351,944 for Program Changes.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$3,628**	**$0**	**$70**	**$70**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another federal government account. The FY 2007 request includes an increase of $70,000 for operations charges previously captured in IPIS M&A.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$0**	**$10,551**	**$0**	**($10,551)**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another federal government account. The FY 2007 request decreases by $10,551,107 as the datacenter at Stennis is not being requested in FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$27**	**$275**	**$10**	**($265)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a reduction of $264,783 for technical program adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$3,761**	**$3,363**	**$897**	**($2,466)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request does not includea request for the datacenter at Stennis, resulting in a decrease of $2,465,764.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$2,690**	**$2,866**	**$176**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements. The FY 2007 request includes a WCF technical programmatic adjustment increase of $175,819.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Critical Infrastructure Identification and Evaluation (CIIE)
Funding Schedule
(Dollars in Thousands)

PPA: Critical Infrastructure Identification and Evaluation (CIIE)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$ -	$ -	$ -	$ -
11.3	Other than perm	$ -	$ -	$ -	$ -
11.5	Other per comp	$ -	$ -	$ -	$ -
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ -	$ -	$ -	$ -
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ 105	$ 189	$ 2,100	$ 1,911
22.0	Transportation of things	$ -	$ -	$ -	$ -
23.1	GSA rent	$ -	$ -	$ 123	$ 123
23.2	Other rent	$ -	$ -	$ -	$ -
23.3	Communication, Utilities, and misc charges	$ -	$ 2,877	$ 4,520	$ 1,643
24.0	Printing	$ -	$ -	$ -	$ -
25.1	Advisory & Assistance Services	$ 35,394	$ 27,174	$ 34,110	$ 6,935
25.2	Other Services	$ 4	$ 2,607	$ -	$ (2,607)
25.3	Purchase from Govt. Accts.	$ 5,734	$ 26,665	$ 25,800	$ (865)
25.4	Operation & maintenance of facilities	$ -	$ -	$ -	$ -
25.5	Research & Development	$ -		$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ 2,414	$ 186	$ -	$ (186)
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ 34	$ 64	$ -	$ (64)
31.0	Equipment	$ -	$ 6,411	$ 2,948	$ (3,463)
32.0	Land & Structures	$ -	$ 1,643	$ 2,030	$ 388
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
	Total, CIIE	**$ 43,684**	**$ 67,815**	**$ 71,631**	**$ 3,816**
Full Time Equivalents		$ -	---	---	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

CIIE carries out vulnerability assessments of critical infrastructure and key assets of the United States, and communicates standards to the infrastructure owners and key stakeholders. CIIE collects, verifies, and analyzes vulnerability and protective measure information on critical infrastructure and key assets from private sector owners and operators, public sector owners and operators, regulatory agencies within the Federal Government, and state and local governments so that protective measures can be prioritized.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$105	$189	$2,100	$1,911

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes an increase of $1,911,017 for technical programmatic increases in travel.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$0	$0	$123	$123

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $123,000, which was included in IPIS M&A PPA in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$0	$2,877	$4,520	$1,643

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $1,643,000 in WCF technical programmatic increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$35,394	$27,174	$34,110	$6,935

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. This FY 2007 increase includes a transfer of $4,000,000 from the Protective Actions PPA to Critical Infrastructure Identification and Evaluation for Control Systems funding, and $2,935,495 increase for mission requirements.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$4	$2,607	$0	($2,607)

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decreases of $2,607,000 for technical programmatic adjustments.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$5,734**	**$26,665**	**$25,800**	**($865)**

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $865,000 for technical programmatic reductions.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$2,414**	**$186**	**$0**	**($186)**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another federal government account. The FY 2007 request includes a decrease of $186,000 for technical programmatic reductions.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Supplies & materials	**$34**	**$64**	**$0**	**($64)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a decrease of $64,000 for technical programmatic reductions.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Equipment	**$0**	**$6,411**	**$2,948**	**($3,463)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $3,463,000 for technical programmatic reductions and changes in mission needs.

	2005 Actual	2006 Revised Enacte	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$1,643**	**$2,030**	**$388**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements. The FY 2007 request includes an increase of $387,834 for WCF technical programmatic increases.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
National Infrastructure Simulation and Analysis Center (NISAC)
Funding Schedule
(Dollars in Thousands)

PPA: National Infrastructure Simulation and Analysis Center (NISAC)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$ -	$ -	$ -	$ -
11.3	Other than perm	$ -	$ -	$ -	$ -
11.5	Other per comp	$ -	$ -	$ -	$ -
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ -	$ -	$ -	$ -
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ -	$ 360	$ 345	$ (15)
22.0	Transportation of things	$ -	$ -	$ -	$ -
23.1	GSA rent	$ -	$ -	$ 28	$ 28
23.2	Other rent	$ -	$ -	$ -	$ -
23.3	Communication, Utilities, and misc charges	$ -	$ 837	$ 996	$ 159
24.0	Printing	$ -	$ -	$ -	$ -
25.1	Advisory & Assistance Services	$ 19,290	$ 2,927	$ 2,216	$ (712)
25.2	Other Services	$ -	$ 4	$ -	$ (4)
25.3	Purchase from Govt. Accts.	$ -	$ 15,172	$ 11,983	$ (3,189)
25.4	Operation & maintenance of facilities	$ -	$ -	$ -	$ -
25.5	Research & Development	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ 710	$ -	$ -	$ -
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ -	$ 18	$ -	$ (18)
31.0	Equipment	$ -	$ -	$ -	$ -
32.0	Land & Structures	$ -	$ 480	$ 454	$ (25)
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
	Total, NISAC	**$ 20,000**	**$ 19,800**	**$ 16,022**	**$ (3,778)**
Full Time Equivalents		$ -	---	---	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

NISAC provides a comprehensive modeling and simulation capability to perform an analysis of critical infrastructures, their interdependencies, complexities, and the consequences of disturbances. NISAC promotes nationwide involvement in infrastructure-related modeling analysis by enabling contributions from a wide range of sources and supports consequence mitigation strategy development by predicting the cascading effects of potential operational disruptions to U.S. infrastructure.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$0	$360	$345	($15)

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes a decrease of $15,376 for technical programmatic reductions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$0	$0	$28	$28

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $27,501, which was included in IPIS M&A PPA in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$0	$837	$996	$159

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $158,803 in WCF technical programmatic increases to the NCA IT costs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$19,290	$2,927	$2,216	($712)

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a decrease of $711,707 for technical programmatic reductions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$0	$4	$0	($4)

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a decrease of $4,435, which is included in the IPIS M&A PPA in FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$0	$15,172	$11,983	($3,189)

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $3,189,054 for technical programmatic reductions.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Supplies & materials	$0	$18	$0	($18)

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a decrease of $18,445 for technical programmatic reductions.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Land & Structures	$0	$480	$454	($25)

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements. The FY 2007 request includes a decrease of $25,158 for WCF technical programmatic reductions.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Biosurveillance (BIO)
Funding Schedule
(Dollars in Thousands)

PPA: Biosurveillance (BIO)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$ -	$ -	$ -	$ -
11.3	Other than perm	$ -	$ -	$ -	$ -
11.5	Other per comp	$ -	$ -	$ -	$ -
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ -	$ -	$ -	$ -
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ -	$ 29	$ 344	$ 315
22.0	Transportation of things	$ -	$ -	$ -	$ -
23.1	GSA rent	$ -	$ -	$ 14	$ 14
23.2	Other rent	$ -	$ -	$ -	$ -
23.3	Communication, Utilities, and misc charges	$ -	$ 590	$ 511	$ (79)
24.0	Printing	$ -	$ -	$ -	$ -
25.1	Advisory & Assistance Services	$ 1,179	$ 9,372	$ 3,930	$ (5,443)
25.2	Other Services	$ -	$ 3	$ -	$ (3)
25.3	Purchase from Govt. Accts.	$ -	$ 46	$ -	$ (46)
25.4	Operation & maintenance of facilities	$ -	$ 402	$ -	$ (402)
25.5	Research & Development	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ 390	$ 9	$ -	$ (9)
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ -	$ 989	$ -	$ (989)
31.0	Equipment	$ -	$ 2,181	$ 3,187	$ 1,005
32.0	Land & Structures	$ -	$ 338	$ 233	$ (105)
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -		$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
	Total, BIO	**$ 1,569**	**$ 13,959**	**$ 8,218**	**$ (5,741)**
Full Time Equivalents		$ -	---	---	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

BIO improves the Federal Government's capability to rapidly identify and characterize a potential bioterrorist attack by enhancing ongoing surveillance and analysis capabilities in areas such as human health, hospital preparedness, State and local preparedness, vaccine research and procurement, animal health, food and agricultural safety, and environmental monitoring.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$0	$29	$344	$315

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes $314,935, which reflects technical programmatic adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$0	$0	$14	$14

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $14,107, which was included in IPIS M&A PPA in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$0	$590	$511	($79)

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes technical program decrease of $79,259.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$1,179	$9,372	$3,930	($5,443)

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, state and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes technical program decrease of $5,442,872.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$0	$3	$0	($3)

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes technical program decrease of $3,127.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$0	$46	$0	($46)

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes technical program decrease of $45,652.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	$0	$402	$0	($402)

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another federal government account. The FY 2007 request includes technical program decrease of $402,460.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	$390	$9	$0	($9)

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another federal government account. The FY 2007 request includes a technical program decrease of $8,749.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	$0	$989	$0	($989)

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a technical program decrease of $988,531.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	$0	$2,181	$3,187	$1,005

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of 37,000 in non-pay inflation and $968,000 in technical program adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	$0	$338	$233	($105)

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements. The FY 2007 request includes a WCF distribution technical program decrease of $105,159.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Protective Actions (PA)
Funding Schedule
(Dollars in Thousands)

PPA: Protective Actions (PA)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$ -	$ -	$ -	$ -
11.3	Other than perm	$ -	$ -	$ -	$ -
11.5	Other per comp	$ -	$ -	$ -	$ -
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ -	$ -	$ -	$ -
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ 1,914	$ 239	$ 257	$ 18
22.0	Transportation of things	$ -	$ -	$ -	$ -
23.1	GSA rent	$ -	$ -	$ 55	$ 55
23.2	Other rent	$ -	$ -	$ -	$ -
23.3	Communication, Utilities, and misc charges	$ -	$ 3,838	$ 1,991	$ (1,847)
24.0	Printing	$ -	$ -	$ -	$ -
25.1	Advisory & Assistance Services	$ 81,616	$ 53,133	$ 16,458	$ (36,675)
25.2	Other Services	$ -	$ 5,292	$ -	$ (5,292)
25.3	Purchase from Govt. Accts.	$ 52,055	$ 3,236	$ 12,308	$ 9,072
25.4	Operation & maintenance of facilities	$ -	$ -	$ 65	$ 65
25.5	Research & Development	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ 4,803	$ 595	$ -	$ (595)
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ -	$ 86	$ -	$ (86)
31.0	Equipment	$ 8,481	$ 21,874	$ -	$ (21,874)
32.0	Land & Structures	$ -	$ 2,192	$ 908	$ (1,283)
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ 1,000	$ -	$ -	$ -
	Total, PA	**$ 149,868**	**$ 90,485**	**$ 32,043**	**$ (58,442)**
Full Time Equivalents		$ -	---	---	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

PA assists Federal, state, local, tribal, and private sector organization in devising protection strategies, programs, and best practices. Training is also provided to infrastructure owners and operators and the local law enforcement entities that help protect them. Best practice activities reduce the vulnerability of and coordinate the protection of critical infrastructure and key resources. Critical infrastructure and key resources provide the essential services that underpin American society and must be protected.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$1,914	$239	$257	$18

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $4,060 in non-pay inflation, $14,430 in annualization.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$0	$0	$55	$55

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $55,000, which was included in IPIS M&A PPA in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$0	$3,838	$1,991	($1,847)

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes technical program negative adjustments of $1,847,015.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$81,616	$53,133	$16,458	($36,675)

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, state and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes technical program adjustments of $36,675,218.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$0	$5,292	$0	($5,292)

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes technical program decrease of $5,292,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	$52,055	$3,236	$12,308	$9,072

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $9,072,373 for technical program adjustments.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Operation & Maintenance of equipment	$4,803	$595	$0	($595)

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another federal government account. The FY 2007 request includes a technical program decrease of $594,940

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Supplies & materials	$0	$86	$0	($86)

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a technical program adjustment of $86,042.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Equipment	$8,481	$21,874	$0	($21,874)

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a technical program negative adjustment of $21,873,653.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Land & Structures	$0	$2,192	$908	($1,283)

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements. The FY 2007 request includes a WCF distribution technical program negative adjustment of $1,283,348.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
Cyber Security (CS)
Funding Schedule
(Dollars in Thousands)

	PPA: Cyber Security (CS)	2005 Actual*	$ 2,006 Revised Enacted	$ 2,007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$ -	$ -	$ -	$ -
11.3	Other than perm	$ -	$ -	$ -	$ -
11.5	Other per comp	$ -	$ -	$ -	$ -
11.8	Spec Srvc Pay	$ -	$ -	$ -	$ -
12.1	Benefits	$ -	$ -	$ -	$ -
13.0	Benefits-former	$ -	$ -	$ -	$ -
21.0	Travel	$ 260	$ 553	$ 551	$ (1.15)
22.0	Transportation of things	$ -	$ -	$ -	$ -
23.1	GSA rent	$ -	$ -	$ 158	$ 158.28
23.2	Other rent	$ -	$ -	$ -	$ -
23.3	Communication, Utilities, and misc charges	$ 16	$ 4,182	$ 6,006	$ 1,824.01
24.0	Printing	$ -	$ -	$ -	$ -
25.1	Advisory & Assistance Services	$ 47,787	$ 77,143	$ 74,167	$ (2,975.94)
25.2	Other Services	$ -	$ 358	$ 318	$ (39.78)
25.3	Purchase from Govt. Accts.	$ 4,858	$ 7,617	$ 8,149	$ 532.94
25.4	Operation & maintenance of facilities	$ -	$ -	$ -	$ -
25.5	Research & Development	$ -	$ -	$ -	$ -
25.6	Medical care	$ -	$ -	$ -	$ -
25.7	Operation & maintenance of equipment	$ 1,224	$ 92	$ 95	$ 2.66
25.8	Subsistence & Support of persons	$ -	$ -	$ -	$ -
26.0	Supplies & materials	$ 22	$ 197	$ 110	$ (86.32)
31.0	Equipment	$ 38	$ 37	$ 37	$ (0.08)
32.0	Land & Structures	$ -	$ 2,238	$ 2,614	$ 375.51
41.0	Grants/Subsidies/Contributions	$ -	$ -	$ -	$ -
42.0	Indemnity	$ -	$ -	$ -	$ -
91.0	Unvouchered	$ -	$ -	$ -	$ -
	Total, CS	**$ 54,205**	**$ 92,415**	**$ 92,205**	**$ (209.88)**
Full Time Equivalents		$ -	$ -	$ -	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

Cyber Security works collaboratively with public, private, and international entities to secure cyberspace and America's cyber assets.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$260	$ 553	$ 551	($1)

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. There is a technical program decrease of $1,000 for travel in FY 2007.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$0	$ -	$ 158	$158

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $158,000, which was included in IPIS M&A PPA in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charg	$16	$ 4,182	$ 6,006	$1,824

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $1,824,000 in WCF technical programmatic increases to the NCA IT costs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$47,787	$ 77,143	$ 74,167	($2,976)

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, state and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes a technical program negative adjustment of $2,976,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$0	$ 358	$ 318	($40)

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a technical program negative adjustment of $40,000.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Purchase from Government Accounts	$4,858	$ 7,617	$ 8,149	$533

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $129,000 in non-pay inflation and $403,000 in technical program adjustments.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Operation & Maintenance of equipment	$1,224	$ 92	$ 95	$3

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $1,570 for non pay inflation and a WCF technical adjustment of $1,100.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Supplies & materials	$22	$ 197	$ 110	($86)

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a technical program negative adjustment of $86,000.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Equipment	$38	$ 37	$ 37	($0)

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. There is no change.

	2005	2006	2007	2006 - 2007
	Actual	Revised Enacted	Request	Change
Land & Structures	$0	$ 2,238	$ 2,614	$376

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements. The FY2007 request includes a WCF technical programmatic adjustment increase of $376,000.

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
NS/EP Telecommunications (NSEP)
Funding Schedule
(Dollars in Thousands)

PPA: NS/EP Telecommunications (NSEP)		2005 Actual*	2006 Revised Enacted	2007 Request	2006 to 2007 Change**
Object Classes:					
11.1	Perm Positions	$ -	---	---	---
11.3	Other than perm	$ -	---	---	---
11.5	Other per comp	$ -	---	---	---
11.8	Spec Srvc Pay	$ -	---	---	---
12.1	Benefits	$ -	---	---	---
13.0	Benefits-former	$ -	---	---	---
21.0	Travel	$ 439	478	491	13
22.0	Transportation of things	$ -	---	---	---
23.1	GSA rent	$ -	---	246	246
23.2	Other rent	$ -	---	---	---
23.3	Communication, Utilities, and misc charges	$ -	5,968	8,904	2,935
24.0	Printing	$ -	---	---	---
25.1	Advisory & Assistance Services	$ 115,310	6,402	8,220	1,818
25.2	Other Services	$ 6,823	255	230	(26)
25.3	Purchase from Govt. Accts.	$ 9,964	706	750	44
25.4	Operation & maintenance of facilities	$ -	---	---	---
25.5	Research & Development	$ -	---	---	---
25.6	Medical care	$ -	---	---	---
25.7	Operation & maintenance of equipment	$ 4,670	123,527	120,028	(3,499)
25.8	Subsistence & Support of persons	$ -	---	---	---
26.0	Supplies & materials	$ 79	210	84	(126)
31.0	Equipment	$ 239	240	259	19
32.0	Land & Structures	$ -	3,420	4,061	641
41.0	Grants/Subsidies/Contributions	$ -	---	---	---
42.0	Indemnity	$ -	---	---	---
91.0	Unvouchered	$ -	---	---	---
	Total, NSEP	**$ 137,523**	**141,206**	**143,272**	**2,065**
Full Time Equivalents		---	---	---	---

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from legacy agencies.

** Totals may not add due to rounding to the nearest thousand dollars.

PPA Mission Statement

NSEP provides mission-critical communications for federal, state and local governments, and private industry through the following functions: (1) Administering the National Coordinating Center for Telecommunications to facilitate the initiation, coordination, restoration and reconstitution of NE/EP Telecommunications services or facilities under all circumstances; (2) Developing and ensuring the implementation of plans and programs that support telecommunications infrastructure hardness, redundancy, mobility, connectivity and security; and (3) Serving as the focal point for joint industry - Government and interagency NS/EP telecommunications planning and partnerships.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	$439	$478	$491	$13

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes increases of $13,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	$0	$0	$246	$246

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes $246,000, which was included in IPIS M&A PPA in FY 2006.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$0	$5,968	$8,904	$2,935

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase of $2,834,540 in WCF technical programmatic increases to the NCA IT costs. The request also includes non pay inflation of 101,460.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	$115,310	$6,402	$8,220	$1,818

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY2007 request includes non pay inflation of $108,830 and $1,709,270 in WCF technical programatic increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	$6,823	$255	$230	($26)

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes a technical programmatic reduction of $25,758.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$9,964**	**$706**	**$750**	**$44**

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase for non-pay inflation of $12,000 and $32,000 in technical programmatic adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$4,670**	**$123,527**	**$120,028**	**($3,499)**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another federal government account. The FY 2007 request includes a technical programmatic reduction of $3,499,011.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$79**	**$210**	**$84**	**($126)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes a technical programmatic reduction of $126,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$239**	**$240**	**$259**	**$19**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase for non-pay inflation of $4,090 and $14,960 in technical programmatic adjustments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$3,420**	**$4,061**	**$641**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements. The FY 2007 request includes an increase for non-pay inflation of $58,150 and $582,750 in WCF technical programmatic adjustments.

I. Schedule of Working Capital Fund

Department of Homeland Security
Preparedness Directorate
Infrastructure Protection and Information Security (IPIS)
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Management and Administration (M&A)	$0	$3,594	$4,543	$949
Critical Infrastructure Outreach and Partnership (CIOP)	---	7,274	8,022	748
Critical Infrastructure Identification and Evaluation (CIIE)	---	4,442	5,684	1,242
National Infrastructure Simulation and Analysis Center (NISAC)	---	1,297	1,271	(26)
Biosurveillance (BIO)	---	914	652	(262)
Protective Actions (PA)	---	5,927	2,543	(3,384)
Cyber Security (CS)	---	6,053	7,316	1,263
NS/EP Telecommunications (NSEP)	---	9,249	11,369	2,120
Total Working Capital Fund	**$0**	**$38,749**	**$41,400**	**$2,651**

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the IAIP legacy agency. Only the IAIP Management and Administration appropriation contributed to the WCF in FY 2005.

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Department of Homeland Security

Preparedness Directorate

BioDefense Countermeasures

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Preparedness Directorate
Biodefense Countermeasures

I. Biodefense Countermeasures Overview

A. Mission Statement for Biodefense Countermeasures:
Biodefense Countermeasures provides secure medical countermeasures to strengthen the Nation's preparedness against bioterrorism attacks, including promoting the removal of barriers to development and production processes and pre-purchasing critically needed vaccines or medication for biodefense. Funding for the program facilitates the development and production processes that the Government undergoes to pre-purchase critical vaccines or medication for biodefense upon subject matter expert approval of the vaccine placement into the Strategic National Stockpile.

B. Budget Activities:
The Biodefense Countermeasures funding will support the Government's efforts to secure medical countermeasures to strengthen the Nation's preparedness against bioterrorism attacks, including promoting the removal of barriers to development and production processes and pre-purchasing critically needed vaccines or medication for biodefense. The current timeline for developing, procuring, and licensing vaccines and medicines to counter bioterrorism can be years, which in some cases may discourage countermeasures.

In FY 2005 the Biodefense Countermeasures focused on strengthening the Government's efforts to secure medical countermeasures to strengthen the Nation's preparedness against bioterrorism attacks, including promoting the removal of barriers to development and production processes and pre-purchasing critically needed vaccines or medication for biodefense.

In FY 2006 and FY 2007, Biodefense will continue to coordinate efforts to remove barriers to development and production processes and will allow the Government to pre-purchase critically needed vaccines or medication for biodefense as soon as experts agree the vaccines and medications are safe and effective enough to place in the Strategic National Stockpile.

C. Budget Request Summary:
The Biodefense Countermeasures was transferred to the Preparedness Directorate from FEMA under the Department's Second Stage Review (2SR) and received no program enhancements. The program will continue to operate using advance appropriations from FY 2004 and FY 2005 for the period FY 2005 – FY 2008. In FY 2006, $2,324,009,000 was available for obligation through FY 2008. The Biodefense program under direction of the DHS Chief Medical Officer (CMO) will continue to provide secure medical countermeasures to strengthen the Nation's preparedness against bioterrorism attacks, including promoting the removal of barriers to development and production processes and pre-purchasing critically needed vaccines or medication for biodefense.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Preparedness Directorate
Biodefense Countermeasures

Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual*		FY 2006 Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	0	0	0	AMOUNT
Biodefense Countermeasures	---	[$188,767]	---	$0	---	$0	---	$0	---	---	---	$0
Subtotal, Enacted Appropriations and Budget Estimates	---	**[$188,767]**	---	**$0**	---	**$0**	---	**$0**	---	**$0**	---	**$0**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	---	**[$188,767]**	---	**$0**	---	**$0**	---	**$0**	---	**$0**	---	**$0**

* The Preparedness Directorate did not exist prior to FY2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

III. Current Services Program Description by PPA

Department of Homeland Security
Preparedness Directorate
Biodefense Countermeasures
Program Performance Justification
(Dollars in thousands)

PPA: Biodefense Countermeasures

	Perm Pos	FTE	Amount
2005 Actual	...	...	[$138,767]
2006 Enacted	...	...	...
2007 Adjustments-to-Base	...	...	...
2007 Current Services	...	...	...
2007 Program Change	...	...	...
2007 Request	...	...	...
Total Change 2006-2007	...	...	...

* The Preparedness Directorate did not exist prior to FY2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

Preparedness does not request any funding in FY 2007 for this activity because funding is provided through advanced appropriations.

CURRENT SERVICES PROGRAM DESCRIPTION:
The Biodefense Countermeasures funding, provided through advanced appropriations, will support the Government's efforts to secure medical countermeasures to strengthen the Nation's preparedness against bioterrorism attacks, including promoting the removal of barriers to development and production processes and pre-purchasing critically needed vaccines or medication for biodefense.

In FY 2005, The Biodefense Countermeasures program achieved the following accomplishments:

- Awarded the contract for recombinant protection antigen (rPA)in November, 2004 for 75 million doses anticipating delivery completion in November 2006.
- Awarded the Pediatric Formulation (Liquid) Potassium Iodide (KI), (licensed in January, 2005) contract in March 2005 for 1.7 million bottles, with initial delivery in May, 2005, anticipating delivery completion in September 2005.
- Awarded the Anthrax Vaccine Adsorbed (AVA)contract in May 2005, with initial delivery in May, 2005, anticipating delivery completion in September 2005.
- The program secured enough botulism antitoxin, (both mono and heptavalent types) to double our Nation's readiness capabilities to a botulism event. These antitoxins are currently stored in the Strategic National Stockpile.

In FY 2006, Biodefense is planning on accomplishing the following goals:

- Coordinate efforts to remove barriers to development and production processes and will allow the Government to pre-purchase critically needed vaccines or medication for biodefense as soon as experts agree the vaccines and medications are safe and effective enough to place in the Strategic National Stockpile.

In FY 2007, Biodefense is planning on accomplishing the following goals:

- Continue to leverage efforts to remove barriers to development and vaccine production to facilitate biodefense vaccines and medications for acquisition for the Strategic National Stockpile.

IV. Program Justification of Changes

Department of Homeland Security
Preparedness Directorate
Biodefense Countermeasures
Justification of Program Changes
(Dollars in Thousands)

There are no program changes requested for Biodefense Countermeasures.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Preparedness Directorate
Justification of Proposed Changes in Biodefense Countermeasures
Appropriation Language

No appropriation language proposed because no additional budget authority is being requested in FY 2007.

Explanation of Changes:

There are no changes to Biodefense Countermeasures.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Preparedness Directorate
Biodefense Countermeasures
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual*	---	---	[$188,767]
2006 Enacted	---	---	$ -
Adjustments-to-Base			
Increases			
Annualization of prior year part year funding	---	---	$ -
Annualization of 2006 pay raise	---	---	$ -
2007 pay increase	---	---	$ -
GSA Rent	---	---	$ -
Non-pay inflation excluding GSA Rent	---	---	$ -
Total Increases	---	---	$ -
Decreases			
Termination of one-time costs	---	---	$ -
Management and Technology Efficiencies	---	---	$ -
Total Decreases	---	---	$ -
Total Adjustments-to-Base	---	---	$ -
2007 Current Services	---	---	$ -
Program Changes			
Program Increases/(Decreases)			
Total Program Changes	---	---	$ -
2007 Request	---	---	$ -
2006 to 2007 Total Change	---	---	$ -

* The Preparedness Directorate did not exist prior to FY2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

C. Summary of Requirements

Department of Homeland Security
Preparedness Directorate
Biodefense Countermeasures
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual*	N/A	N/A	[$188,767]
2006 Enacted	---	---	---
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	---
Increases	---	---	---
Decreases	---	---	---
Total Adjustments-to-Base	---	---	---
2007 Current Services	---	---	---
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	---
2007 Total Request	---	---	---
2006 to 2007 Total Change	---	---	---

Estimates by Program/Project Activity	2006 Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Biodefense Countermeasures	---	---	$0	---	---	$0	---	---	$ ---	---	---	$0	---	---	$0
Total	---	---	**$0**	---	---	**$0**	---	---	**$0**	---	---	**$0**	---	---	**$0**

* The Preparedness Directorate did not exist prior to FY2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

D. Summary of Reimbursable Resources

N/A. There are no reimbursable resources for Biodefense Countermeasures.

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E. Summary of Requirements by Object Class

Department of Homeland Security
Preparedness Directorate
Biodefense Countermeasures
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual*	2006 Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$0	$0	$0	$0
11.3 Other than full-time permanent	---	---	---	---
11.5 Other Personnel Compensation	---	---	---	---
11.8 Special Service Pay	---	---	---	---
12.1 Benefits	---	---	---	---
13.0 Benefits - former	---	---	---	---
Total, Personnel Comp. & Benefits	**$0**	**$0**	**$0**	**$0**
Other Object Classes:				
21.0 Travel	---	---	---	---
22.0 Transportation of things	---	---	---	---
23.1 GSA rent	---	---	---	---
23.2 Other rent	---	---	---	---
23.3 Communications, utilities, & other misc. charges	---	---	---	---
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services	---	---	---	---
25.2 Other services	---	---	---	---
25.3 Purchases of goods & svcs. from Gov't accounts	[$188,767]	869,000	1,045,000	176,000
25.4 Operation & maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	---	---	---	---
31.0 Equipment	---	---	---	---
32.0 Land & structures	---	---	---	---
41.0 Grants/Subsidies/Contributions	---	---	---	---
42.0 Indemnity	---	---	---	---
43.0 Interest & dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**[$188,767]**	**$869,000**	**$1,045,000**	**$176,000**
Total, Direct Obligations	**[$188,767]**	**$869,000**	**$1,045,000**	**$176,000**
Unobligated balance, start of year	2,513,776	(2,324,009)	(1,455,009)	
Unobligated balance, end of year	(2,324,009)	1,455,009	410,009	
Recoveries of prior year obligations	---	---	---	
Total requirements	**$0**	**$0**	**$0**	

* The Preparedness Directorate did not exist prior to FY2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

- **Permanent Positions by Grade**

N/A. There are no permanent positions for Biodefense Countermeasures.

G. Capital Investment and Construction Initiative Listing

Preparedness Directorate
Biodefense Countermeasures

N/A. There are no capital investments for Biodefense Countermeasures.

H. PPA Budget Justifications

Department of Homeland Security
Preparedness Directorate
Biodefense Countermeasures
Funding Schedule
(Dollars in Thousands)

PPA: Biodefense Countermeasures		2005 Actual*	2006 Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec Srvc Pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	---	---	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	---	---	---
23.2	Other rent	---	---	---	---
23.3	Communication, Utililities, and misc charges	---	---	---	---
24.0	Printing	---	---	---	---
25.1	Advisory & Assistance Services	---	---	---	---
25.2	Other Services	---	---	---	---
25.3	Purchase from Govt. Accts.	[$188,767]	869,000	1,045,000	176,000
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	---	---	---	---
32.0	Land & Structures	---	---	---	---
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Biodefense Countermeasures		**[$188,767]**	**$869,000**	**$1,045,000**	**$176,000**
Full Time Equivalents		---	---	---	---

* The Preparedness Directorate did not exist prior to FY2006. For FY 2005, the funding amounts are provided for those organizations/programs that had a comparable FY 2005 funding level. Please see the FEMA overview section of the Budget for FY 2005 Actuals.

PPA Mission Statement

Biodefense Countermeasures provides secure medical countermeasures to strengthen the Nation's preparedness against bioterrorism attacks, including promoting the removal of barriers to development and production processes and pre-purchasing critically needed vaccines or medication for biodefense. Funding for the program facilitates the development and production processes that the Government undergoes to pre-purchase critical vaccines or medication for biodefense upon subject matter expert approval of the vaccine placement into the Strategic National Stockpile.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**[$188,767]**	**$869,000**	**$1,045,000**	**$176,000**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $176,000,000 to provide for increased purchases for biodefense countermeasures, including vaccines and therapeutics.

I. Schedule of Working Capital Fund

N/A. There are no working capital fund charges for Biodefense Countermeasures.

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Department of Homeland Security

Preparedness Directorate

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

Preparedness Directorate

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A. Mission and Description of the Preparedness Directorate

Following the attacks of September 11, 2001, the President together with the Congress, began the process of the largest restructuring of the Federal government in half a century, creating the Department of Homeland Security (DHS). For more than two years, the men and women from 22 different Federal agencies have come together with one mission under this Department. As a unified team, we have done the important and often difficult work of strengthening the security of the United States. We have created mechanisms for sharing information across Federal, state, and local governments as well as the private sector, and worked to identify and secure the Nation's critical infrastructure.

In October 2005, after a systematic evaluation of the Department's operations, policies and structure, the DHS organization was realigned and the Preparedness Directorate was created. The establishment of the Preparedness Directorate intended "to enhance coordination of preparedness" and "increase overall preparedness, particularly for catastrophic events." All the Department's existing preparedness efforts – including planning, training, exercising, and funding – are now consolidated into a single Directorate led by the Under Secretary for Preparedness, George Foresman.

The Preparedness Directorate's primary responsibility is to build and sustain the preparedness of the United States to:

- Prevent terrorist attacks and minimize the impact of non-terrorist related events in the United States by increasing the Nation's level of preparedness,
- Reduce America's vulnerability to terrorism, and
- Enhance federal, state, and local response to terrorist attacks and other emergencies, both natural and manmade.

The Preparedness Directorate will become both the Department and U.S. Government's focal point for building our Nation's preparedness to defend and secure the United States of America from terrorist attack, and to respond to and recover from attacks, major disasters, and other emergencies. To accomplish this, the new Directorate will lead the preparedness efforts across the Department, coordinate preparedness efforts across the U.S. government, and partner with state and local governments, tribal organizations, the private sector, and the American people to ensure a Nation prepared.

The primary goals of the Preparedness Directorate are to:

1. Build, sustain, and improve the Nation's capability to prevent terrorist attacks in the United States.
2. Build, sustain, and improve the Nation's capability to protect against terrorist attacks in the United States and other catastrophic threats to the Nation's population and critical infrastructure.
3. Build, sustain, and improve the Nation's capability to respond to terrorist attacks, major disasters, and other emergencies, with an emphasis on catastrophic incidents.
4. Build, sustain, and improve the Nation's capability to recover from terrorist attacks, major disasters, and other emergencies, with an emphasis on catastrophic incidents.
5. Ensure development of national standards and measures of effectiveness for preparedness.

6. Promote and institutionalize mechanisms for information sharing and collaboration to enhance preparedness.
7. Foster an adaptive, risk-based approach to preparedness that maintains an all-hazard incident management foundation and focuses on preparedness enhancements for catastrophic threats to population and infrastructure, where appropriate.
8. Demonstrate stewardship of public resources by identifying opportunities for synergy between terrorism preparedness and non-terrorism preparedness.
9. Create, operate and promote a premier learning organization by providing professional development, education and other opportunities to ensure the highest caliber of staff working in a professional environment in support of the goals and objectives of the Department.
10. Streamline and speed delivery of preparedness activities and services.

The Preparedness Directorate including the Office of the Under Secretary is comprised of 1,028 full-time equivalent employees in FY 2007. These employees are critical to the Preparedness mission accomplishment providing preparedness leadership across the Department, coordinating preparedness across the U.S. Government, and partnering with state and local governments, tribal organizations, the private sector and the American public to ensure national preparation for terrorist attacks, natural disasters, and other emergencies.

The major organizational components of the Preparedness Directorate are the Office of the Under Secretary, Assistant Secretary for Infrastructure Protection, Assistant Secretary for Cyber Security and Telecommunications, Assistant Secretary for Grants and Training, U.S. Fire Administration, Chief Medical Officer and the Office of National Capital Region Coordination. The program offices for these components are spread across the Washington, DC metropolitan area and in Emmitsburg, MD.

B. Major Activities and Key Strategic Issues

The Preparedness Directorate will focus on strengthening the preparedness posture of the Nation and integrating preparedness planning among the Office of the Assistant Secretary for Infrastructure Protection and the Office of the Assistant Secretary for Cyber and Telecommunications, the Office of National Capital Region Coordination, the Office of the Assistant Secretary for Grants and Training, the Office of the Chief Medical Officer (CMO), Chemical Stockpile Emergency Preparedness Program, the Radiological Emergency Preparedness Program, the U.S. Fire Administration, and the Biodefense Countermeasures program. In FY 2006, the Preparedness Directorate is funded at $4,041,132,000.

The major activities for the Preparedness Directorate in FY 2007, highlighted below, are presented in the structure of the performance based budget as reflected in the DHS Future Year Homeland Security Program (FYHSP) and include: *National Preparedness Leadership and Coordination, Infrastructure Protection, Cyber and Telecommunications, Grants Training and Exercise, Medical Coordination, and Fire Prevention Assistance.*

National Preparedness Integration and Coordination works to strengthen the Nation's capacity to prepare for and respond to natural or other disasters. This activity includes the *Office of the Under Secretary for Preparedness*, the *National Preparedness Integration Program*, *National Capitol Region Coordination*, and the *Evaluation and National Assessment Program.*

Office of the Under Secretary (OUS) for Preparedness received $15,918,000 in FY 2006 and manages and administers the daily business of the Directorate, and enables mission integration and execution among the Preparedness Operations offices. It provides policy oversight, program review and evaluation, oversees disclosures of information and records management, and supports the Directorate's business affairs in the areas of budget, finance and acquisition, human capital, security, information technology, and facilities. The OUS activities include the *State and Local Government Coordination (SLGC) Office* which will continue to coordinate state, territorial, tribal and local government activities for the Department of Homeland Security and provide them with regular information, research, and technical support to assist their efforts in securing the homeland. Additionally, SLCG develops processes for receiving meaningful input from state, territorial, tribal and local governments to assist in the implementation of the national strategy for combating terrorism and other homeland security activities.

National Preparedness Integration Program (NPIP) is a new program in FY 2007. This program is a Directorate-wide effort to synchronize government, private sector, and citizen preparedness goals, plans and processes in advance of disaster – Americans will know who does what, when. This budget includes specific efforts to align Federal, state, and local command and control processes; improve catastrophic planning efforts for our most vulnerable citizens – children, the elderly, and those with special needs; enhance communication systems available in an emergency; harmonize medical coordination across all levels of government and provider systems; and encourage and implement innovative ideas and methods for preparedness.

National Capital Region Coordination (NCRC) received $883,000 in FY 2006 and oversees and coordinates Federal programs for and relationships with state, local, and regional authorities in the National Capital Region.

Evaluation and National Assessment Program received $14,157,000 in FY 2006 to gather, analyze and interpret National and program specific data. As the focal point for information collection and evaluation, this program reviews and assesses the execution of state strategies against the supporting threat, vulnerability, and needs assessment data. As data is evaluated, meaningful and timely feedback highlighting best practices can be identified for replication, and knowledge gaps can be addressed and mitigated. This information is then fed back out to states and jurisdictions by Grants and Training. This program will continue in FY 2007.

Infrastructure Protection (IP) serves the public by ensuring that the entities/people responsible for securing the Nation's critical infrastructure assets and key resources have the knowledge, skills, and equipment to accomplish their mission. The IP programs include *Critical Infrastructure Identification and Evaluation (CIIE), National Infrastructure Simulation and Analysis Center (NISAC), Critical Infrastructure Outreach and Partnerships (CIOP), Radiological Emergency Preparedness Program (REPP), Targeted Infrastructure Protection (TIP) Grants, Protective Actions (PA)*, and *Chemical Stockpile Emergency Preparedness (CSEPP)*.

Critical Infrastructure Identification and Evaluation (CIIE) received $67,815,000 in FY 2006. CIIE carries out vulnerability assessments of critical infrastructure and key assets of the United States, and communicates standards to the infrastructure owners and key stakeholders. CIIE collects, verifies, and analyzes vulnerability and protective measure information on critical infrastructure and key assets from private sector owners and operators, public sector owners and operators, regulatory agencies within the Federal Government, and state and local governments so that protective measures can be prioritized.

National Infrastructure Simulation and Analysis Center (NISAC) received $19,800,000 in FY 2006. These funds are used to provide a comprehensive modeling and simulation capability to perform an analysis of critical infrastructures, their interdependencies, complexities, and the consequences of disturbances. NISAC will continue to promote nationwide involvement in infrastructure-related modeling analysis by enabling contributions from a wide range of sources and will continue to support consequence mitigation strategy development by predicting the cascading effects of potential operational disruptions to U.S. infrastructure.

Critical Infrastructure Outreach and Partnerships (CIOP) received $111,055,000 in FY 2006, including $49,500,000 for the National Center for Critical Information Processing and Storage (NCCIPS). These funds are used to develop and maintain organizational structure, operational tools and defined processes to assure a continuous state of awareness and alert. CIOP will continue to manage the robust organizational framework supporting all stakeholders to facilitate the identification, prioritization, coordination, and protection of critical infrastructures/key resources. The program will also provide forums and networks to encourage sharing of information about threats, vulnerabilities, incidents, potential protective measures, and best practices that enhance response, mitigation and restoration activities.

Radiological Emergency Preparedness Program (REPP) FY 2006 budget authority is $18,096,000 (-$1,266,000 net of collections)[1]. REPP assists state, local, and tribal governments in the development of offsite radiological emergency preparedness plans within the emergency planning zones of Nuclear Regulatory Commission (NRC) licensees of commercial nuclear power facilities. The REPP fund is financed from user fees assessed and collected from the NRC licensees to cover budgeted costs for radiological emergency planning, preparedness, and response activities in the subsequent year. REPP will continue to support the development of offsite radiological emergency preparedness plans for the emergency planning zones of NRC licensees of commercial nuclear power facilities.

Targeted Infrastructure Protection (TIP) *Grants* received $386,100,000 in FY 2006 for various infrastructure protection efforts. The program is designed to enhance the security of the Nation's critical infrastructure, which represents a high priority for the Department. For FY07, funds provided through this program will directly enhance the ability of the owners and operators of key transit systems, ports, and other infrastructure assets to prevent and respond to large scale incidents. The program will continue to build on enhancements made in prior years by shifting to a discretionary approach for all program elements, allowing the Secretary greater flexibility to address vulnerability gaps.

Protective Actions (PA) received $90,485,000 in FY 2006. These funds are used to assist Federal, state, local, tribal, and private sector organizations in devising protection strategies, programs, and best practices. Training is also provided to infrastructure owners and operators and the local law enforcement entities that help protect them. PA will continue to implement best practice activities to reduce the vulnerability of and coordinate the protection of critical infrastructure and key resources, which provide the essential services that underpin American society and must be protected.

[1] A proposed FY 2006 reprogramming action for the Radiological Emergency Preparedness Program is anticipated to be submitted to request an increase in the FY 2006 collection authority to meet anticipated FY 2007 budget expenditures.

Chemical Stockpile Emergency Preparedness (CSEPP) will enable Preparedness Operations to enhance existing local, tribal, and state capabilities to protect the health and safety of the public, workforce, and the environment from the effects of a chemical accident or incident involving the eight United States Army chemical stockpile sites. The funding for this program is provided through a reimbursable agreement with the Department of the Army.

Cyber Security and Telecommunications (C&T) The C&T programs include *Cyber Security (CS)* and National *Security/Emergency Preparedness Telecommunications (NS/EP Telecommunications)*. C&T works collaboratively with public, private, and international entities to secure cyberspace and U.S. cyber assets, reduce risk to the vulnerability of the Nation's telecommunications and information technology infrastructures, enable timely response and recovery under all circumstances, including crises or emergencies from natural disasters and terrorist activity, and coordinate the planning for and provision of national security and emergency preparedness for cyber security and communications for the Federal government.

Cyber Security (CS) received $92,416,000 in FY2006 and will work to accomplish the following strategic goals: (1) establish a National Cyberspace Security Response System to prevent, detect, respond to, and reconstitute rapidly after cyber incidents; (2) work with public and private sectors to reduce vulnerabilities and minimize the severity of cyber attacks; (3) promote a comprehensive national awareness program to empower all Americans—businesses, the general workforce, and the general population to secure their own parts of cyberspace; (4) foster adequate training and education programs to support the Nation's cyber security needs; (5) coordinate with the intelligence and law enforcement communities to identify and reduce threats to cyber space; and (6) build a world-class organization that aggressively advances its cyber security mission and goals in partnership with its public and private stakeholders.

National *Security/Emergency Preparedness Telecommunications (NS/EP Telecommunications)* received $141,206,000 in FY2006. These funds are used to provide mission-critical communications for Federal, state and local governments, and private industry through the following functions: (1) Administering the National Coordinating Center for Telecommunications to facilitate the initiation, coordination, restoration and reconstitution of NS/EP Telecommunications services or facilities under all circumstances; (2) Developing and ensuring the implementation of plans and programs that support telecommunications infrastructure hardness, redundancy, mobility, connectivity and security; and (3) Serving as the focal point for joint industry - Government and interagency NS/EP telecommunications planning and partnerships. NS/EP will continue to provide these mission-critical communications activities on an ongoing basis.

Grants, Training, and Exercise serves the public by equipping American first responders – firefighters, police officers, and emergency medical providers. Multiple Grants and Training programs provide agencies with grant resources to acquire equipment, training, or technical assistance to prepare them to prevent, deter, and respond to terrorist acts and natural disasters. These Programs include *State Preparedness Grants, Targeted Infrastructure and Capability Grants, National Exercise Program, State and Local Training Program,* and the *Technical Assistance Program.*

State Preparedness Grants Program received $1,212,750,000 in FY 2006 and manages and oversees the implementation of three grant programs intended to provide a baseline level of security to state, local and territorial level jurisdictions. The first program in the portfolio is the State Homeland Security Grant Program. This program awards grants to all 50 states, the District of Columbia, Puerto Rico and 4 U.S. Territories and is based on risk and need. The second program, the Citizen Corps

Program, is the Department's grass-roots initiative to actively involve all citizens in hometown security through personal preparedness, training, and volunteer service. The third program is the Emergency Management and Performance Grants (EMPG) Program. The EMPG Program provides funds to support comprehensive emergency management at the state and local levels and encourages the improvement of mitigation, preparedness, response, and recovery capabilities for all hazards. These grant programs will be continued to provide security to state and local level jurisdictions.

Urban Area Security Initiative (UASI) Regional Grant Program received $757,350,000 in FY 2006. These grants are awarded on the evaluation of both risk and need and provide a second layer of security to the nation's high risk urban areas. This grant program will be continued to strengthen the nation's urban areas and critical infrastructure.

National Exercise Program received $51,480,000 in FY 2006 and oversees the Department's Federal, state and local exercise programs, which includes the Top Officials (TOPOFF) exercise series. It also remains responsible testing capacity at the state and local levels to effectively implement best practices and deploy response plans and assets efficiently and effectively. This program will incorporate lessons learned from TOPOFF 3 and will conduct the TOPOFF (4) program in FY 2007.

State and Local Training Program received $207,900,000 in FY 2006 and manages the development of and approves training to prepare emergency responders for a WMD terrorism event. This program identifies training needs of state and local communities and prioritizes those needs in order to facilitate the identification of existing and new funding for course development. This program also consists of the Center for Domestic Preparedness, the only WMD training facility that provides hands-on training to civilian emergency responders in a toxic chemical agent environment, and the National Domestic Preparedness Consortium, who also play a major role in delivering training to America's first responders. The program will continue to manage training for emergency responders in FY 2007.

Technical Assistance Program received $19,800,000 in FY 2006 and provides direct assistance to state and local jurisdictions to improve their ability to prevent, respond to, and recover from threats or acts of WMD terrorism. The primary objective of the TA program is to enhance the capacity of state and local jurisdictions as well as special needs jurisdictions such as port authorities and mass transit agencies to develop, plan, and implement effective strategies for WMD preparedness. This program will continue to provide assistance to state and local jurisdictions in FY 2007.

Medical Coordination includes the *Chief Medical Officer, Biosurveillance,* and the *Biodefense Countermeasures Program (Bioshield)* and establishes the capability to rapidly identify and characterize threats, and plan for and deploy targeted defenses against bioterrorist attacks. The Biosurveillance data streams provide indications data for both disease surveillance and bioterrorism warnings. This program also strengthens the Nation's preparedness against bioterrorist attacks by pre-purchasing critically needed vaccines and other countermeasures for biodefense.

Chief Medical Officer received $1,980,000 in FY 2006 and will ensure internal and external coordination of all medical preparedness activities of the Department. CMO Functions include: (1) Serve as the Secretary's principal advisor on medical issues, through the Under Secretary, and advise other Departmental elements on medical issues; (2) Serve as the Department's primary point of contact for external entities on medical preparedness issues; (3) Coordinate medical intelligence and surveillance activities of the Department; (4) Discharge the Department's responsibilities for Project BioShield; (5) Establish doctrine and priorities for the National Disaster Medical System (NDMS), consistent with National Incident Management System (NIMS) and the National Response Plan

(NRP), and ensure NDMS mission readiness; (5) Coordinate with other Department organizational elements on their medical preparedness activities to provide technical guidance and direction; such activities include, but are not limited to, Noble Training Center, National Biosurveillance Information System (NBIS), and the Metropolitan Medical Response System (MMRS) program. CMO will continue to coordinate medical preparedness activities for the Department in FY 2007.

Biosurveillance received $13,959,000 in FY 2006. These funds are used to improve the Federal Government's capability to rapidly identify and characterize a potential bioterrorist attack by enhancing ongoing surveillance and analysis capabilities in areas such as human health, hospital preparedness, State and local preparedness, vaccine research and procurement, animal health, food and agricultural safety, and environmental monitoring. This interagency initiative promotes data sharing and joint analysis at the Federal, state, local, and tribal levels. The preparedness portion of this effort involves the integration of current and new efforts into a comprehensive system that provides a real-time operating picture. The program will operate the national Biosurveillance system to facilitate the shaping of current and proposed disease surveillance systems and guide research and development of technologies and capabilities.

Countermeasures Program (Bioshield) will continue to execute FY 2004 and FY 2005 appropriated funding in FY 2006. Bioshield provides secure medical countermeasures to strengthen the Nation's preparedness against bioterror attacks, including promoting the removal of barriers to development and production processes and pre-purchasing critically needed vaccines or medication for biodefense. Funding for the program facilitates the development and production processes that the Government undergoes to pre-purchase critical vaccines or medication for biodefense upon subject matter expert approval of the vaccine placement into the Strategic National Stockpile. Advanced appropriations made $884,749,000 available in FY 2004, and $2,507,776,000, was provided as an advanced appropriation available for obligation through FY 2013. The program will continue to secure medical countermeasures in FY 2007.

Fire and Emergency Assistance includes the *United States Fire Administration (USFA)* and *Assistance to Firefighter Grants*, to improve the effectiveness of firefighter and emergency responder capability. The *United States Fire Administration (USFA)* received $44,499,000 in FY 2006 and will continue to reduce life and economic losses due to fire and related emergencies, through leadership, coordination, and support and also to prepare the Nation's first responder and emergency response managers and leaders through ongoing and,when necessary, expedited training regarding how to evaluate and minimize community risk, improve protection to critical infrastructure, and be better prepared to react to all hazard and terrorism emergencies of all kinds.

Assistance to Fire Fighter Grants received $648,450,000 to award one-year grants directly to fire departments to support the Nation's firefighters to improve the effectiveness of firefighting operations throughout the United States. Through the Office of Grants and Training, the program will continue to provide Fire Fighter grants in FY 2007.

Strategic issues facing the Preparedness Directorate include:

1. Ensuring the development of coordinated, national standards and measures of effectiveness for preparedness.

    a. Developing a preparedness baseline that measures the effectiveness of our planning for preventing, protecting against, and responding to terrorist acts or disasters.
    b. Defining an optimal state of preparedness. This must include standards articulated with sufficient clarity to allow a preparedness posture based upon objective measures of risk and performance.
    c. Monitoring and measuring the preparedness status of the Nation's diverse needs, risks, and abilities.

2. Allocating human and financial resources to meet the optimal state of preparedness. In order to address threats that pose risk of catastrophic consequences, develop new tools and enhance existing tools to prevent, respond, or recover from catastrophic scenarios.

3. Identifying opportunities for synergy between preparedness for terrorism and preparedness for other hazards.

4. Expanding and strengthening relationships within the Directorate, and beyond the Directorate, to ensure a complete, systemic exchange of information with all entities and governments that have responsibilities in national preparedness activities.
    a. Publishing of open standards for preparedness.
    b. Exercising preparedness, response, and recovery activities.
    c. Ensuring strong linkages with operations, response, and recovery agencies.

C. Resources Requested and Performance Impact

In FY 2007, the Department is requesting $3,419,989,000 for the Preparedness Directorate, a decrease of $621,143,000 over the FY 2006 appropriation of $4,041,132,000. The Preparedness Directorate plans to bolster its base staffing to 1050 positions, 1028 FTE (excluding reimbursables: 42 FTP and 42 FTE from CSEPP), in FY 2007, an increase of 62 FTE from a base of 966 FTE in FY 2006. Preparedness and the Department have identified critical enhancements to existing programs and prioritized new undertakings to accomplish its mission.

In FY 2007, Preparedness is requesting the following new initiatives and enhancements:

National Preparedness Integration Program:

$50,000,000, 14 FTE, 28 positions

This is a new program in FY 2007 intended to address DHS priorities of 1) Augmenting the national level of preparedness and 2) Integrating the operational elements of the Department into an aligned and cohesive force to protect the homeland. This program will strengthen the preparedness posture of the nation by activities in the following areas: 1) catastrophic planning, 2) alignment of command and control functions, 3) emergency communications systems, 4) medical preparedness, and 5) identification, fostering and knowledge sharing of innovative planning, response, or coordination methods.

National Capital Region Coordination:
$1,108,000, 1 FTE, 2 positions
The funding request will allow the NCRC to continue to oversee and coordinate Federal programs for and relationships with state, local and regional authorities, private and non-profit sectors in the National Capital Region (NCR) and will specifically allow NCRC to focus on implementation and exercise of the NCR Homeland Security Strategic Plan.

Chief Medical Officer
$3,000,000, 5 FTE, 10 positions
This funding will enable the CMO to coordinate Department medical preparedness and response activities. The CMO will advise the Secretary and Deputy Secretary on medical issues, provide coordination and oversight on behalf of the Secretary for the Department's biodefense programs, advocate for public health issues to the DHS Secretary, and ensure a unified approach to medical preparedness and response among the U.S. health community. Additionally, the CMO will represent DHS, externally and internally, on medical issues.

Office of the Under Secretary
$1,150,000, 1 FTE, 2 positions
The additional personnel will support acquisition and the Department's objective of increasing the number of contracts that are released for full and open competition. The department requests $1,000,000 to conduct an internal controls audit, which is an unfunded legal requirement. Public Law 108-330, The Department of Homeland Security Financial Accountability Act, directs the Department to perform an annual Performance and Accountability Report (PAR), and to provide by an audit opinion and the Secretary's assertion of the adequacy of internal controls that apply to financial reporting.

United States Fire Administration
$1,500,000, 1 FTE, 2 positions
The additional personnel will develop and upgrade course structures and materials to remain current with evolving technologies, techniques, and threats.

Critical Infrastructure Outreach and Partnerships
$35,000,000, 0 FTE, 0 positions
The request will increase funding for Critical Infrastructure Outreach and Partnerships by $35,000,000. This amount includes $30,000,000 for implementing Sector-Specific Plans in accordance with the National Infrastructure Protection Plan (NIPP) and a $5,000,000 enhancement for NIPP program management. Program management support will be provided to Federal agencies for each of the 17 infrastructure sectors on final development and approval of sector-specific protection plans. The NIPP Program Management Office will also begin to oversee the implementation of sector-specific plans. The management office will also conduct annual and triennial reviews, and promote the NIPP to federal and non-federal stakeholders. Funding to implement sector-specific plans will enable DHS to address protection efforts across the country based on national-level priorities based on risk and need. Under the NIPP framework, DHS will focus infrastructure protection resources towards the areas of greatest need.

Chemical Site Security
$10,000,000 0 FTE, 0 positions
The increase will establish an office to oversee chemical site security. DHS will classify facilities into risk-based tiers, establish standards for each tier and ensure strong safeguards are in place to protect against the public disclosure of any sensitive information gathered by the Office.

Major Changes to Base:
Grants and Training: Targeted Infrastructure Protection
$213,900,000, 0 FTE, 0 positions
The request will increase the Targeted Infrastructure Protection program grants to total of $600,000,000. The enhancement will augment Preparedness' ability to award risk and need based grants to enhance security of the Nations critical infrastructures such as key transit systems and port assets.

Grants and Training: State Homeland Security Grants
$88,500,000, 0 FTE, 0 positions
The request will increase the State Homeland Security Grant program to $633,000,000. The enhancement will provide additional funding for flexible risk and need based grants to enhance state and local homeland security efforts.

Grants and Training: Citizen Corps
$15,200,000, 0 FTE, 0 positions
The request will increase the Citizen Corps Preparedness program to $35 million, providing increased support for citizen preparedness activities at the state and local level.

Radiological Emergency Preparedness Program
Fee Funded[2], 40 FTE, 40 Positions
Due to new terrorism-based initiatives and an increase in nuclear and radiological responsibilities, REPP requires 40 additional Headquarters and Regional FTE. The FTE increase will be covered in the user fees collected from the Nuclear Regulatory Commission licensees.

[2] A proposed FY 2006 reprogramming action for the Radiological Emergency Preparedness Program is anticipated to be submitted to request an increase in the FY 2006 collection authority to meet anticipated FY 2007 budget expenditures.

PART Results

The Preparedness Directorate continues to improve the integration of its performance planning and programs budgeting as depicted in OMB's Program Assessment Rating Tool (PART) Review to refine and develop focused, meaningful measures for Preparedness programs in order to demonstrate planned results. The development of clear long-term performance goals, measures and targets enables the Preparedness Directorate to track the successful accomplishment of its mission and realization of its vision by ensuring accurate and valuable data is disseminated to all stakeholders, including decision makers and state and other Homeland Security Partners in a timely manner.

Cyber Security and Telecommunications PARTed Programs

National Security/Emergency Preparedness (NS/EP) Telecommunications Program
Moderately Effective

PART Findings:

- The National Communications Service is fulfilling its mission to ensure required telecommunications to respond to and recover from national disasters or incidents, including war. Call completion rates for the Government Emergency Telecommunications Service during national events such as 9/11, 2002 Winter Olympic Games in Salt Lake City, and the 2004 Florida Hurricanes exceeded 90%
- The Government Emergency Telecommunications Service has 100,000 users/subscribers and is available in all 50 states. This service allows government officials to place priority calls ahead of the general public during an incident.

The program is taking the following actions to improve performance:

- Working with program partners to improve accountability, cost-effectiveness, and performance.

Cyber Security Program
Results Not Demonstrated

PART Findings:

- The National Cyber Security Division has not established meaningful annual or long-term performance measures. For example, no baseline for performance has been set. This lack of information limits the ability of the program to evaluate itself.
- The National Cyber Security Division needs to ensure independent evaluations are regularly conducted. While internal periodic reviews have begun, regular external reviews should be implemented. The Division recognizes that reviews help ensure programs are aligned with its mission.

The program is taking the following actions to improve performance:

- Developing baselines and targets for performance measures.
- Establish external processes to evaluate effectiveness of cyber security programs.

Grants, Training and Exercise PARTed Programs

National Exercise Program (FY 2007)
Effective

PART Findings:

- The National Exercise Program supports a robust, well-coordinated series of exercises at the national, state, and regional levels. The program is a key component of evaluating the performance of homeland security grant recipients. However, the exercise schedule and reporting requirements have not been fully aligned to allow for a robust assessment of many state and local capabilities.
- Implementation of standardized exercise procedures and reporting requirements have improved exercise quality. However, compliance with reporting requirements was less than 50% by exercise organizers in FY04 and FY05.
- The National Exercise Program has improved coordination with other Federal agencies participating in homeland security exercises. However, more progress can be made to improve coordination with other Federal agency exercises. As of August 2005, the Program had not submitted the National Exercise Plan that would address such coordination issues.

The program is taking the following actions to improve performance:

- Defining scope of National Exercise Program needed to support other Grants and Training performance measures.
- Increasing state and local compliance with exercise and evaluation doctrine and reporting requirements.
- Submitting the National Exercise Plan for interagency review and approval by the Homeland Security Council.

State and Local Training Program (FY 2007)
Adequate

PART Findings:

- The Program has developed training that addresses critical skills and abilities needed by state and local responders to prepare, prevent, and respond to a terrorist incident. It still lacks independent evaluations, or a methodology for comparing the performance of different training programs and providers.
- Coordination and consistency with other Federal preparedness training programs is limited. Little progress has been made on developing a broader interagency preparedness training framework required under Homeland Security Presidential Directive 8.
- Funding and available training slots are not well targeted. Funding for several major training centers is based on appropriation earmarks, not competition or effectiveness. Training slots are allocated by state population, not by risk of terrorist attacks.

The program is taking the following actions to improve performance:

- Standardizing assessments of homeland security knowledge, skills and abilities, and using this data to compare the impact of training among trainees, training providers, and programs.
- Completing development of the National Training Program required under Homeland Security Presidential Directive 8, in coordination with DHS components and Federal agency partners.

- Pursuing greater flexibility in allocation of grant funding to training partners, and certifying more state/local training providers.

Technical Assistance Program (FY 2007)
Adequate

PART Findings:
- The program provides a wide range of expertise to state and local grantees to assist in developing and implementing homeland security programs. However, in responding to shifting priorities, the program has until recently lacked clear long-term goals for improving grantees' planning and management capabilities.
- The program has broadened its range of services provided to keep pace with the range of capabilities eligible for DHS grant funding. Some of these services are similar to technical assistance services provided by other Federal agencies, and do not reflect a clear "core competency" of the Office of Grants and Training.
- The program's funding level is not transparent, with actual expenditures exceeding estimates in the President's Budget and Congressional appropriations. Relation of actual funding levels to goals and results is unclear.

The program is taking the following actions to improve performance:
- Implementing long-term performance measures focused on key outcomes, especially the improvement of grant management and homeland security planning.
- Clarifying the most critical state and local problems that the program intends to address.
- Developing an FY06 spending plan and FY07 request that more clearly identify program resources, with linkages to performance.

State Homeland Security Grants Program (FY 2006)
Results Not Demonstrated

PART Findings:
- At the national level, grants are allocated by formulas that do not incorporate risks, threats, or unmet capabilities. Allocation procedures at the state level vary, with some aligned to state homeland security strategies, and others based on per capita formulas.
- The programs has lacked performance measures that measure specific preparedness capabilities or aggregate state-level preparedness. The National Preparedness Goal under development by DHS will identify national priorities and target capabilities for incorporation into a national assessment system.
- The lack of consistent assessments for state and local homeland security capabilities has significantly hampered efforts to set priorities, target grant funding, and evaluate results.

The program is taking the following actions to improve performance:
- Restructure the grant allocation process, providing the Secretary with greater discretion to award funds based on risks, threats, and vulnerabilities.
- Accelerating implementation of performance measures based on National Preparedness Goals.
- Completing a detailed needs assessment of state and local capabilities to guide Federal, state and local funding allocations.

Assistance to Firefighters Grants Program (FY 2005)
Results Not Demonstrated

PART Findings:

- Grants funding is not targeted for jurisdictions with higher rates of fire deaths, injuries, or hazards; or to activities with the greatest impact on health and safety. Grants primarily supplement locally funded procurement efforts.
- Performance measures reflect the program's purpose, but data collection has been inconsistent. Performance targets are not ambitious, and do not account for the general decline in public fire deaths and injuries. Evaluations have focused on grant procedures, not results.
- In focusing on investments that have long been local funding responsibility, the Program has provided little support for fire departments' preparedness for terrorism and other catastrophic event. While such activities are eligible under statute, Congressional and administrative guidance have discouraged giving greater priority to national homeland security priorities.

The program is taking the following actions to improve performance:

- Increasing the maximum grant size for large cities to $2 million, and administratively establish a minimum grant amount.
- Strengthen performance measures, and ensure that grantee reports incorporate such measures. Implement independent evaluations.
- Terrorism and mass-casualty preparedness needs will be among the competitive priorities. Future budgets will propose greater priority for homeland security capabilities.

D. How Preparedness Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.
The following Preparedness programs are listed with their DHS performance goal:

National Preparedness Leadership and Coordination

National Capital Region Coordination
Coordinate activities of the Department to build, sustain, and improve NCR's capability to protect against terrorist attacks in the United States and other catastrophic threats to the Nation's population and critical infrastructure.

Protection 3.7 -- Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Evaluation and National Assessment
Improve process and procedures by implementing recommendations of reviewing authorities (i.e. IG, OMB, GAO).

Protection 3.7 -- Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

National Preparedness Integration Program
Synchronize and publicize government, private sector, and citizen preparedness goals, plans and processes in advance of disaster.

Protection 3.7 -- Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Infrastructure Protection

Critical Infrastructure Identification and Evaluation
Identify Critical Infrastructure and Key Resources (CI/KR) and characterize and prioritize these assets based upon the application of appropriate assessment processes and methodologies, using need-specific assessment criteria, sector/segment-specific characterizations, and relevant potential threat information.

Awareness 1.2 –Identify and assess the vulnerability of critical infrastructure and key assets.

National Infrastructure Simulation and Analysis Center
Provide comprehensive infrastructure related modeling, simulation and analytic capabilities to support protective action planning and implementation decision processes.

Protection 3.2 –Reduce infrastructure vulnerability from acts of terrorism.

Radiological Emergency Preparedness Program
Provide preparedness programs by developing offsite radiological emergency preparedness plans within the emergency planning zones of Nuclear Regulatory Commission (NRC) licensees of commercial nuclear power facilities to effectively protect against disasters within the United States.

Protection 3.7 –Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Critical Infrastructure Outreach and Partnerships
Improve the protection of critical infrastructure by building strategic partnerships and two-way information sharing.
Protection 3.2 –Reduce infrastructure vulnerability from acts of terrorism.

Protective Actions
Build sustainable protective capacity by developing and facilitating the implementation of protection strategies, security best practices and protective programs that reduce the risk from current CI/KR.
Protection 3.2 –Reduce infrastructure vulnerability from acts of terrorism.

Targeted Infrastructure Protection Grants
Improve the protection of our Nation's ports and critical transportation systems (rail, mass transit, and intercity bus) from terrorism, especially explosives and non-conventional threats that would cause major disruption to commerce and significant loss of life, through the award of grant funds.
Protection 3.2 –Reduce infrastructure vulnerability from acts of terrorism.

Cyber Security and Telecommunications

Cyber Security
Prevent, detect and respond to Cyber Security events.
Protection 3.2 –: Reduce infrastructure vulnerability from acts of terrorism.

National Security/Emergency Preparedness Telecommunications
Ensure Government Emergency Telecommunications System (GETS) provides effective communication in all operational circumstances.
Protection 3.2 –- Reduce infrastructure vulnerability from acts of terrorism.

Grants, Training and Exercise

State Preparedness Grants
Enhances the capability of States, territories and local jurisdictions to prevent, protect against, respond to, and recover from all-hazard events through the provision of grants.
Protection 3.7 –- Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Urban Area Security Initiative (UASI) Grants
UASI enhances the capability of high risk urban areas to prevent, protect against, respond to, and recover from all-hazard events through the provision of grants.
Protection 3.7 –Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

State and Local Training
Enhance the capability of the Nation's first responders to prevent, protect against, respond to, and recover from all-hazard events by administering a comprehensive training program tailored to responder communities.
Protection 3.7 - Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

National Exercise Program
Improve the capability of the nation's first responders to prevent, respond to, and recover from acts of terrorism by periodically excising together, thereby enhancing the nation's preparedness.

Protection 3.7 –Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Technical Assistance
Enhance state and urban area all-hazards homeland security strategies through the provision of information resources, stand-alone tools, and customized on-site assistance.

Protection 3.7 –Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Medical Coordination

Office of the Chief Medical Officer (CMO)
Serve as the principal advisor to the Secretary for medical issues within the Department. Provide Department-wide coordination by building a network of all medical assets in the Department. CMO is responsible for the coordination of medical issues with other Federal government entities.

Protection 3.7 –- Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Biosurveillance
Function as the lead agency in the development and operation of the National Biosurveillance Integration System (NBIS) to detect biological and chemical attacks and coordinate the real-time integration of bio-surveillance data with threat information and recommended responses.

Protection 3.7 –Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies

Biodefense Countermeasures
Bioshield program pre-purchases critically needed vaccines and medications to place in the Strategic National Stockpile based on determination of material threat by the Secretary of Homeland Security and the Secretary of Health and Human Services.

Protection 3.7 –Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Fire Prevention Assistance

United States Fire Administration (USFA)
United States Fire Administration - reduce the effect of fire and all hazard emergencies through improving the delivery of state and local fire and emergency services.

Protection 3.7 Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

Assistance to Firefighters Grants Program
Enhance the health and safety of firefighting personnel and the public against fire-related hazards and improve the capability of firefighting personnel to prevent, protect against, respond to, and recover from fire-related disasters through funding and direct assistance.

Protection 3.7 –Strengthen nationwide preparedness and mitigation against acts of terrorism, natural disasters and other emergencies.

E. Performance Based Budget Highlights by Program

For each FYHSP program, the performance goal, performance measure/s, budget including allocation of non-programmatic overhead and FTE are:

National Preparedness Integration and Coordination

Performance Goal: Strengthen the Nation's capacity to prepare for and respond to terrorism and natural disasters.				
Measure: Percent of recommendations made by reviewing authorities (i.e., IG, OMB, GAO) that are implemented within 1 year.	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	90%	90%
	Actual			
Program: National Preparedness Integration and Coordination	$ Thousands	N/A	$15,260	$76,551
	FTE	N/A	32	47

Infrastructure Protection

Performance Goal: Protect the Nation's high risk and most valued critical infrastructure and key resources (CI/KR) by characterizing and prioritizing assets, modeling and planning protective actions, building partnerships, and issuing targeted infrastructure protection grants.				
Measure: Percent of high-priority critical infrastructure for which a Buffer Zone Protection Plan (BZPP) has been implemented.	Fiscal Year	FY2005	FY2006	FY2007
	Target	70%	28%	38%
	Actual	18%		
Measure: Percent of identified high-priority critical infrastructure/key resources sites at which at least two suitable protective actions (PA) have been implemented.	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	10%	20%
	Actual	N/A		
Measure: Percent of high-priority critical infrastructure/key resources (CI/KR) sites at which a vulnerability assessment (VA) has been conducted	Fiscal Year	FY2005	FY2006	FY2007
	Target	10%	15%	25%
	Actual	14%		
Measure: Percent of bus facility security enhancement projects completed per period	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	55%	55%
	Actual	N/A		
Measure: Percent of bus vehicle security enhancement projects completed per period	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	55%	55%
	Actual	N/A		
Measure: Percent of goals and objectives identified in Regional Transit Security Strategies addressed by grantee projects	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	53%	86%
	Actual	N/A		
Measure: Percent of identified port-related vulnerabilities addressed per period	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	30%	30%
	Actual	N/A		
Measure: Percent of identified target community trained in highway security domain awareness	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	65%	90%
	Actual	N/A		
Measure: percentage of REP Program communities with a nuclear power plant that are fully capable of responding to an accident originating at the site.	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	100%	100%
	Actual	N/A		
Program: Infrastructure Protection	$ Thousands	N/A	$730,808	$878,505
	FTE	N/A	437	478

Note: Includes adjustment for other funding sources.

Cyber Security and Telecommunications

Performance Goal: Improve the security of America's cyber and emergency preparedness telecommunications assets by working collaboratively with public, private, and international entities				
Measure: Government Emergency Telecommunications (GETS) call completion rate during periods of network congestion.	Fiscal Year	FY2005	FY2006	FY2007
	Target	90% (Baseline estimate)	90%	90%
	Actual	95.5%		
PART Measure: Number of Government Emergency Telecommunications (GETS) cards issued.	Fiscal Year	FY2005	FY2006	FY2007
	Target	103,000	109,000	115,000
	Actual	110,540		
PART Measure: Number of WPS authorized users.	Fiscal Year	FY2005	FY2006	FY2007
	Target	13,000	15,000	17,000
	Actual	23,079		
PART Measure: Number of Cyber Security work products disseminated.	Fiscal Year	FY2005	FY2006	FY2007
	Target	50	55	60
	Actual	466		
PART Measure: Length of time to notify (as applicable) the Government Forum for Incident Response and Security Teams (GFIRST) and/or law enforcement officials within two hours of verifying a Category 1 or a Category 2 cyber security event.	Fiscal Year	FY2005	FY2006	FY2007
	Target	120 minutes	115 minutes	110 minutes
	Actual			
Measure: Percent of targeted stakeholders who participate in or obtain cyber security products and services.	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	50%	55%
	Actual	N/A		
Program: Cyber Security & Telecommunications	$ Thousands	N/A	$266,314	$272,980
	FTE	N/A	153	152

Grants, Training and Exercise

Performance Goal: Enhance the Nation's preparedness by increasing the capability of states, territories, and local jurisdictions to prevent, protect against, respond to, and recover from terrorism and all-hazard events through the provision of grants, first responder training, technical assistance, and exercises.				
Measure: Percent of state and local homeland security agency grant recipients reporting measurable progress towards identified goals and objectives to prevent and respond to terrorist attacks.	Fiscal Year	FY2005	FY2006	FY2007
	Target	50%	90%	100%
	Actual	35%		
Measure: Percent progress toward implementation of state homeland security strategies	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	75%	80%
	Actual	N/A		
PART Measure: Average satisfaction rating by exercise participants.	Fiscal Year	FY2005	FY2006	FY2007
	Target	4.1	4.2	4.2
	Actual	4.1		
PART Measure: Percent of jurisdictions demonstrating acceptable performance on applicable critical tasks in exercises using Grants and Training approved scenarios	Fiscal Year	FY2005	FY2006	FY2007
	Target	23%	60%	64%
	Actual	40%		
PART Measure: Percentage of action items identified in After-Action Reports (AAR) that were implemented.	Fiscal Year	FY2005	FY2006	FY2007
	Target	41%	65%	68%
	Actual	7%		
PART Measure: Average percentage increase in	Fiscal Year	FY2005	FY2006	FY2007

Weapons of Mass Destruction (WMD) and other knowledge skills, and abilities of state and local homeland security preparedness professionals receiving training from pre and post assessments.	Target	37%	38%	38%
	Actual	38.5%		
PART Measure: Average satisfaction with Technical Assistance (TA) services provided to State and local jurisdictions.	Fiscal Year	FY2005	FY2006	FY2007
	Target	86%	90%	92%
	Actual	96%		
PART Measure: Percentage of homeland security strategies that are compliant with DHS planning requirements at the submission date.	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	50%	84%
	Actual	--		
Measure: Percent of participating urban area grant recipients reporting measurable progress made towards identified goals and objectives to prevent and respond to terrorist attacks	Fiscal Year	FY2005	FY2006	FY2007
	Target	50%	90%	100%
	Actual	8%		
Measure: Percent progress toward implementation of urban area homeland security strategies observed by preparedness officers.	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	75%	80%
	Actual	-		
Program: Grants, Training & Exercise	$ Thousands	-	$2,316,906	$1,835,367
	FTE	-	169	169

Medical Coordination

Performance Goal: Ensure a coordinated and unified approach to represent medical readiness among the United States health community by providing data-driven, scientifically based policy and advice to advocate public health needs.				
Measure: Percent of partner agencies providing timely bio-surveillance information to the National Biosurveillance Integration System (NBIS).	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	15%	20%
	Actual			
Measure: The number of agencies participating in the Integrated Medical Readiness Network (IMRN).	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	4	7
	Actual			
Program: Medical Coordination	$ Thousands	N/A	$17,901	$15,045
	FTE	N/A	20	25

Fire Prevention Assistance

Performance Goal: Maximize the health and safety of the public and firefighting personnel against fire and fire-related hazards by providing assistance to fire departments and by training the Nation's fire responders and health care personnel to prevent, protect against, respond to, and recover from fire-related events				
Measure: Percent of jurisdictions demonstrating acceptable performance on applicable critical tasks relevant to the fire service in exercises using Grants and Training approved scenarios.	Fiscal Year	FY2005	FY2006	FY2007
	Target	23%	60%	64%
	Actual	42%		
Measure: Ratio of on-scene firefighter injuries to the total number of firefighters.	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	3.4%	3.4%
	Actual			
Measure: Civilian Deaths from Fire (Percent reduction in the rate of loss of life from fire-related events.)	Fiscal Year	FY2005	FY2006	FY2007
	Target	N/A	3,380	3,380
	Actual			
Program: Fire Prevention Assistance	$ Thousands	N/A	$693,943	$341,541
	FTE	N/A	156	157

F. Digest Tables by FYHSP Programs

Department of Homeland Security
Preparedness Directorate
DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

Budget Activity	FY2005* Actual		FY2006 Revised Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2006					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
National Prep Integration & Coordination	N/A	N/A	32	15,260	47	76,551	15	61,291	15	51,207	0	10,084
OUS Shared	N/A	N/A	3	194	3	1,513	0	1,319	0	99	0	1,220
NCRC	[3]	[$609]	5	883	6	1,991	1	1,108	1	1,108	0	(0)
Evalutaion & National Assessment Program	[17]	[$14,300]	24	14,157	24	23,000	0	8,843	0	0	0	8,843
NPIP	N/A	N/A	0	0	14	50,000	14	50,000	14	50,000	0	0
G&T M&A	N/A	N/A	0	26	0	47	0	21	0	0	0	21
Infrastructure Protection	N/A	N/A	437	750,170	478	902,814	41	152,645	0	45,392	41	107,253
OUS Shared	N/A	N/A	35	4,635	36	5,966	1	1,331	0	392	1	939
CIIE	0	[$43,684]	0	67,815	0	71,631	0	3,816	0	0	0	3,816
NISAC	0	[$20,000]	0	19,800	0	16,021	0	(3,779)	0	0	0	(3,779)
CIOP	0	[$98,254]	0	111,055	0	101,100	0	(9,955)	0	35,000	0	(44,955)
REPP	[78]	[-$1,184]	90	18,096	130	23,832	40	5,736	0	0	40	5,736
TIP Grants	0	[$299,939]	15	386,100	15	600,000	0	213,900	0	0	0	213,900
PA	0	[$149,868]	0	90,485	0	32,043	0	(58,442)	0	10,000	0	(68,442)
IPIS M & A	N/A	N/A	297	51,479	297	50,998	0	(481)	0	0	0	(481)
G&T M&A	N/A	N/A	0	705	0	1,224	0	518	0	0	0	518
Cyber Security & Telecommunications	N/A	N/A	153	266,314	152	272,980	(1)	6,666	0	355	(1)	6,311
OUS Shared	N/A	N/A	13	3,397	12	5,400	(1)	2,003	0	355	(1)	1,648
CS	0	[$54,205]	0	92,415	0	92,205	0	(210)	0	0	0	(210)
NS/EP	0	[$137,523]	0	141,206	0	143,272	0	2,066	0	0	0	2,066
IPIS M & A	N/A	N/A	140	29,296	140	32,103	0	2,807	0	0	0	2,807
Grants, Training and Exercise	N/A	N/A	169	2,316,906	169	1,835,367	(0)	(481,539)	0	202	(0)	(481,741)
OUS Shared	N/A	N/A	8	3,607	8	3,079	(0)	(528)	0	202	(0)	(731)
State Preparedness Grants	[48]	[$1,708,980]	54	1,212,750	54	838,000	0	(374,750)	0	0	0	(374,750)
Preparedness UASI Grants	N/A	[$885,000]	21	757,350	21	838,000	0	80,650	0	0	0	80,650
Training	[26]	[$195,000]	44	207,900	44	92,351	0	(115,549)	0	0	0	(115,549)
Exercise	[11]	[$61,082]	30	51,480	30	48,708	0	(2,772)	0	0	0	(2,772)
Technical Assistance	[17]	[$14,300]	12	19,800	12	11,500	0	(8,300)	0	0	0	(8,300)
Systems Support	0	[$50,000]	0	59,800	0	0	0	(59,800)	0	0	0	(59,800)
G&T M&A	N/A	N/A	0	4,219	0	3,729	0	(489)	0	0	0	(489)
Medical Coordination	N/A	N/A	20	17,901	25	15,045	5	(2,856)	5	3,020	0	(5,876)
OUS Shared	N/A	N/A	2	228	2	298	0	69	0	20	0	50
Chief Medical Officer (CMO)	0	0	10	1,980	15	4,980	5	3,000	5	3,000	0	0
Biosurveillance (BIO)	0	[$1,569]	0	13,959	0	8,218	0	(5,741)	0	0	0	(5,741)
Biodefense Countermeasures	0	[$188,767]	0	0	0	0	0	0	0	0	0	0
IPIS M&A	N/A	N/A	8	1,734	8	1,549	0	(185)	0	0	0	(185)
Fire and Emergency Assistance	N/A	N/A	156	693,943	157	341,541	1	(352,402)	1	1,582	(0)	(353,984)
OUS Shared	N/A	N/A	10	994	10	1,242	(0)	248	0	82	(0)	166
US Fire Administration (USFA)	[113]	[$42,847]	113	44,499	114	46,849	1	2,350	1	1,500	0	850
AFG Program	[33]	[$715,000]	33	648,450	33	293,450	0	(355,000)	0	0	0	(355,000)
Subtotal, Budget Authority (All Sources)	N/A	N/A	966	4,060,494	1,028	3,444,298	62	(616,196)	21	101,758	41	(717,954)
Less Adjustments for Other Funding Sources:				(19,362)		(24,309)		(4,947)				(4,947)
Total enacted appropriations & budget estim	N/A	N/A	966	4,041,132	1,028	3,419,989	62	(621,143)	21	101,758	41	(722,901)

* The Preparedness Directorate did not exist prior to FY 2006. For FY 2005, the funding amounts are provided for those organizations/programs that had comparable FY 2005 funding levels. Please see the Department Overview section of the Budget for FY 2005 Actuals from the legacy agencies of BTS, IAIP, and OSLGCP.

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Department of Homeland Security

Departmental Management and Operations

Fiscal Year 2007

Overview

Congressional Justification

25756A

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Departmental Management and Operations
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Under Secretary for Management	173	$146,273	265	$167,147	317	$209,138	52	$41,991	55	$65,655	(3)	($23,664)
Office of the Chief Information Officer	65	259,331	78	294,257	87	323,765	9	29,508	---	45,342	9	(15,834)
Office of the Chief Financial Officer	66	12,938	87	19,211	102	44,380	15	25,169	10	6,807	5	18,362
Office of the Secretary and Executive Management	361	82,700	416	125,898	451	97,508	35	(28,390)	30	14,247	5	(42,637)
Subtotal, Enacted Appropriations and Budget Estimates	**665**	**$501,242**	**846**	**$606,513**	**957**	**$674,791**	**111**	**$68,278**	**95**	**$132,051**	**16**	**($63,773)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropppriations and Budget Estimates	**665**	**$501,242**	**846**	**$606,513**	**957**	**$674,791**	**111**	**$68,278**	**95**	**$132,051**	**16**	**($63,773)**

25756A

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ii. Homeland and Non-Homeland Allocation

Department of Homeland Security
Departmental Management and Operations
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Under Secretary for Management	104	$103,498	69	$44,355	173	$147,853	157	$117,003	108	$50,144	265	$167,147	220	$145,494	97	$63,644	317	$209,138
- Immediate Office U/S/M	4	1,064	2	430	6	1,434	4	1,169	2	501	6	1,670	6	1,408	2	604	8	2,012
- Business Transformation Office	3	644	2	276	5	920	7	1,303	5	558	12	1,861	5	1,412	2	605	7	2,017
- Office of Administration 1/	22	17,129	15	7,341	37	24,470	27	27,720	18	11,880	45	39,600	32	28,155	14	12,065	46	40,218
- DHS Headquarters Project	---	45,557	---	19,524	---	65,081	---	18,067	---	7,743	---	25,810	---	4,842	---	3,364	---	8,206
- Office of Human Capital	29	5,040	20	2,160	49	7,200	30	6,168	20	2,643	50	8,811	37	6,879	16	2,948	53	9,827
- Office of Human Capital - MaxHR	---	25,200	---	10,900	---	36,000	7	20,790	5	8,910	12	29,700	17	50,014	10	21,435	27	71,449
- Office of Procurement	28	5,145	18	2,205	46	7,350	36	6,251	20	2,679	46	8,930	50	11,826	21	5,069	71	16,895
- Office of Security	---	---	---	---	---	---	56	35,535	38	15,230	94	50,765	73	40,960	32	17,554	105	58,514
- Office of Immigration Statistics	18	3,775	12	1,619	30	5,394	---	---	---	---	---	---	---	---	---	---	---	---
Office of the Chief Information Officer	76	192,689	6	82,581	82	275,270	72	205,980	6	88,277	78	294,257	81	226,635	6	97,130	87	323,765
- Salaries and Expenses	76	59,389	6	8,581	82	67,970	72	43,647	6	31,352	78	74,999	81	18,516	6	61,005	87	79,521
- Information Technology Services	---	16,100	---	74,000	---	90,100	---	25,684	---	56,925	---	82,609	---	24,888	---	36,125	---	61,013
- Security Services	---	31,000	---	---	---	31,000	---	18,810	---	---	---	18,810	---	64,139	---	---	---	64,139
- Wireless Program	---	86,000	---	---	---	86,000	---	85,140	---	---	---	85,140	---	86,438	---	---	---	86,438
- Homeland Secure Data Network	---	---	---	---	---	---	---	32,699	---	---	---	32,699	---	32,654	---	---	---	32,654
Office of the Chief Financial Officer	43	9,100	28	3,900	71	13,000	52	13,448	35	5,763	87	19,211	72	31,510	30	12,870	102	44,380
Office of the Secretary & Executive Management	252	70,773	109	30,361	361	91,134	292	54,030	124	71,868	416	125,898	313	69,256	138	28,252	451	97,508
- Immediate Office of the Secretary	8	1,499	4	642	12	2,141	8	1,658	4	711	12	2,369	8	2,204	4	944	12	3,148
- Immediate Office of the Deputy Secretary	4	778	2	334	6	1,112	4	785	2	336	6	1,121	4	1,134	2	494	6	1,648
- Chief of Staff	8	2,366	4	1,014	12	3,380	8	1,553	4	666	12	2,231	8	2,031	4	870	12	2,901
- Office of Policy	23	4,387	11	1,881	36	6,268	73	13,354	31	7,152	104	20,506	83	22,762	36	8,328	119	31,090
- Executive Secretary	25	2,450	10	1,050	35	3,500	25	2,863	10	1,227	35	4,090	26	3,501	11	1,500	37	5,001
- Office of Public Affairs	30	5,684	13	2,436	43	8,120	30	5,760	13	2,469	43	8,229	30	4,766	13	2,042	43	6,808
- Office of Legislative & Intergovernmental Affairs	32	3,430	13	1,470	45	4,900	36	4,383	15	1,879	51	6,262	36	4,535	15	1,944	51	6,479
- Office of the General Counsel	46	7,575	20	3,246	66	10,821	48	7,808	20	3,346	68	11,154	55	9,846	24	4,220	79	14,066
- Office of Civil Rights and Civil Liberties	15	9,100	7	3,900	22	13,000	24	9,009	10	3,861	34	12,870	27	9,188	12	3,938	39	13,126
- Citizenship and Immigration Ombudsman	17	2,482	7	1,064	24	3,546	17	2,530	7	1,085	24	3,615	17	4,149	7	1,778	24	5,927
- Privacy Officer	8	2,642	4	1,132	12	3,774	11	3,036	5	1,301	16	4,337	11	3,105	5	1,331	16	4,436
- Office of Counternarcotics Enforcement	8	1,302	3	558	11	1,860	8	1,289	3	552	11	1,841	8	2,015	5	863	13	2,878
- Second Stage Review Adjustments	26	27,078	11	1,634	37	28,712	---	---	---	---	---	---	---	---	---	---	---	---
- Pandemic Flu Supplemental	---	---	---	---	---	---	---	---	---	47,283	---	47,283	---	---	---	---	---	---
Total Direct Appropriations and Budget Estimates	475	$376,060	212	$151,197	687	$527,257	573	$390,461	273	$216,052	846	$606,513	686	$472,895	271	$205,896	957	$674,791

Explanation of Changes:

1/ The FY 2005 Emergency Supplemental Appropriation Act for Defense, the Global War on Terror, and the Tsunami Relief rescinded $500K from the Office of Immigration Statistics and $2.8M from the Under Secretary of Management (USM). As a result of the $2.8M rescission to USM, $2.8M in FY 2004 lapsed funding was transferred to a 2-year account (704/50111) in accordance with Section 504. Although $2.8M was rescinded from USM's Office of Administrative Services in FY 2005, it was able to use this 2-year account for FY 2005 obligations. Total FY 2005 obligations for the Office of Administrative Services amounted to $27,054,093, including obligations in 7050111 and 704/50111.

*USM - The President's budget request reflects a total of 265 FTE in FY 2006 which is an increase of 11 FTE from the 254 FTE reflected in the President's Budget Appendix.

*OSEM - Due to a late adjustment the FY 2007 FTE total in President's Budget Appendix is different than the FY 2007 FTE total requested.

iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
Departmental Management and Operations
Status of Congressionally Requested Studies, Reports, and Evaluations

Under Secretary for Management

1. Senate Report 109-83 - Contract Staffing--The Committee notes that the Department has not yet submitted its report on contract staffing, as required by the statement of managers accompanying the conference report on the Department of Homeland Security Appropriations Act, 2005 (Public Law 108–334). The Committee still expects to receive this report. In addition the Department is directed to submit an updated report containing the number of contract staff occupying positions budgeted to be filled by Federal employees during fiscal year 2005 and projected for fiscal year 2006. The Committee expects the Department to make progress in replacing contract staff personnel with Federal employees. Accordingly, the Department is to include in its report a plan for accomplishing this objective.
    a. **STATUS – On Target for 20 Jan 06 submission**

2. Conference Report 109-241/ Senate Report 109-83 - Procurement Officers--The Committee directs the Chief Procurement Officer to submit a report to the Committees on Appropriations by February 10, 2006, that provides the number of procurement officers in the Department, including the number for each organization, for fiscal years 2004 and 2005 and proposed for fiscal year 2006, and provide an assessment of the adequacy of the number and training of those personnel.
    a. **STATUS - On Target for 20 Jan 06 submission**

3. House Report 109-79 – Quarterly DHS Management Integration -- In March 2005, the Government Accountability Office (GAO) reported that, while DHS has made some progress in its management integration efforts, it should implement a more comprehensive and sustained approach. GAO recommended that the Under Secretary for Management: (1) develop an overarching management integration strategy for the Department, (2) designate the Business Transformation Office (BTO) as the dedicated implementation team for the Department's management integration, and (3) provide the BTO with the requisite authority and responsibility to help set priorities and make strategic decisions to drive the integration across all functions. The Under Secretary for Management is directed: (1) to report to the House Committee on Appropriations, no later than August 1, 2005, on whether BTO has sufficient authority to serve as a dedicated implementation team to help set priorities and make strategic decisions to drive integration across all functions, and (2) to report quarterly, beginning on January 1, 2006, on the progress of DHS management integration.
    a. **STATUS – On Target for 20 Jan 06 submission**

4. Conference Report 109-79 – Shared Services -- Problems and confusion over the administration of shared services between Immigration and Customs Enforcement (ICE), Customs and Border Protection (CBP), and Citizen and Immigration Services (CIS) continue to plague the Department. The problem stems from the difficulty in adjusting to changes in these agencies' previous structure and systems found in the Immigration and Naturalization Service (INS) and Customs Service, and lack of guidance during the transition into the new structure. Field managers lack information about how shared services are handled. The Committee directs the Secretary to submit a report not later than January 16, 2006, on how shared services are defined, what policies are in place to guide managers on how to administer those services, and what mechanism is in place to resolve interagency disputes.
    a. **STATUS - On Target for 20 Jan 06 submission**

Office of the Chief Information Officer

1. Senate Appropriations Conference Report 109-241 (Title I, page 2 and 39) requires an ***Expenditure Plan for its Information Technology Projects***. The expenditure plan should include each specific project funded, key milestones, all funding sources for each project, details of annual and lifecycle costs, and projected cost savings or cost avoidance to be achieved by the project for information technology services, security activities, and wireless programs. The plan needed to be submitted to the Committees on Appropriations of the Senate and the House of Representatives, not more than 60 days from the date of enactment of this Act. The required plan is currently in clearance.

2. House Report 109-79 (Title I, page 18) requires a ***Geospatial*** report to the Appropriations Committee. The report is to document the CIO's efforts to develop a complete and accurate Global Geospatial Intelligence, Geographic Information System (GGI/GIS) border mapping inventory of critical U.S. infrastructure and assets through its Department-wide enterprise GIS (E-GIS) system. This report on Geospatial Information Management is targeted to be produced by the requested date of February 10, 2006.

3. Conference Report 109-241 (Title I, page 18) requires an ***IT System Inventory*** report by February 10, 2006. The report is to include an update of the information technology system inventory dated September 15, 2005; the status and timeline of security certifications for each system; the status of aligning each system with an appropriate investment portfolio; and the status of identifying the systems and/or applications that will migrate to the National Center for Critical Information Processing and Storage during fiscal year 2006. This IT System Inventory report is targeted to be produced by the requested date of February 10, 2006.

4. House Appropriations Report 109-79 (Title 1, p. 18) requires an ***Information Security plan*** by October 1, 2005, to address the weaknesses in DHS' information security. The Inspector General is directed to review the CIO's plan and report back to the Committee on the thoroughness of the CIO's plan. The report was developed and delivered by October 1, 2005 and the DHS Inspector General provided its assessment of the report at the beginning of December 2005.

5. Conference Report 109-241, House Report 109-79, and House Bill HR 2360 EH (Title I, p. 3 & 39, Title I, p. 17, and Title I, p. 4) require a report on ***Enterprise Architecture Strategic Planning***. The report is due to the Committees on Appropriations of the Senate and the House of Representatives, not more than 180 days from the date of enactment of this Act, following approval by the Office of Management and Budget and review by the Government Accountability Office. The report is to include (1) an enterprise architecture, (2) an Information Technology Human Capital Plan, to include an inventory of current IT work force knowledge and skills, a gap analysis of any shortfalls, and a plan for addressing any shortfalls; (3) a capital investment plan for implementing the enterprise architecture, and (4) a description of the information technology capital planning and investment control process. Is targeted to be produced by the requested date of April 16, 2006.

6. Conference Report 109-241 and Senate Report 109-83 ("Title III, p. 71 and Title IV, p. 84) requires a ***National Center for Critical Information Processing and Storage*** **(NCCIPS)** ***report*** to the Appropriations Committees. The report, due no later than February 10, 2006, is to detail the progress of further developing NCCIPS. The OCIO is assisting the Preparedness directorate on this report and the report is targeted to be produced by the requested date of February 10, 2006.

Office of the Chief Financial Officer

1. Conference Report 108-774 directs OCFO to submit a monthly budget execution report to Congress. FY 2005 June Report – target submission to Congress is January 15, 2006

2. Conference Report 108-774 directs OCFO to submit a monthly budget execution report to Congress. FY 2005 September Report – target submission to Congress is February 15, 2006

Office of the Secretary and Executive Management

1. House Appropriations Report 108-169 (Title II, p 22) Detention and Removal Policies and Procedures. In process of getting final signature at DHS.

2. Appropriations Conference Report 108-774 (Title I, p 30) Data Mining, Office of Privacy. Report is being finalized.

3. Appropriations Conference Report 109-359 DOD Appropriations Act, DHS Supplemental (p 501) Policy Office Program Plan. Report submitted for OMB clearance.

4. Appropriations Conference Report 109-241 (Title I, p 33) Transportation Security. Report is being finalized.

5. Appropriations Conference Report 109-241 (Title I, p 2 & 33) Immigration Enforcement Strategy/Internal Transport of Illegal Aliens. Report is being written.

6. Appropriations Conference Report 109-241 (Title IV, SEC 538, p 26 & 86) REAL ID Act Grant Implementation Plan. Report in progress.

7. Senate Report 109-83 (Title 1, p 11) Base Realignment and Closure. Report in process.

iv. Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Departmental Management and Operations
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Under Secretary for Management	**N/A**	**N/A**	**N/A**	**$209,138**
- Immediate Office US/M	N/A	N/A	N/A	2,012
- Business Transformation Office	N/A	N/A	N/A	2,017
- Office of Administration	N/A	N/A	N/A	40,218
- DHS Headquarters Project	N/A	N/A	N/A	8,206
- Office of Human Capital	N/A	N/A	N/A	9,827
- Office of Human Capital - MaxHR	N/A	N/A	N/A	71,449
- Office of Procurement	N/A	N/A	N/A	16,895
- Office of Security	N/A	N/A	N/A	58,514
Office of the Chief Information Officer	**N/A**	**N/A**	**N/A**	**323,765**
- OCIO Operations	N/A	N/A	N/A	79,521
- Information Technology Services	N/A	N/A	N/A	61,013
- Security Services	N/A	N/A	N/A	64,139
- Wireless Program	N/A	N/A	N/A	86,438
- Homeland Secure Data Network	N/A	N/A	N/A	32,654
Office of the Chief Financial Officer	**N/A**	**N/A**	**N/A**	**44,380**
Office of the Secretary and Executive Management	**N/A**	**N/A**	**N/A**	**97,508**
Total Direct Authorization/Appropriation				**$674,791**

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Department of Homeland Security

Departmental Management and Operations

Office of the Secretary and Executive Management

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

I. Appropriation Overview

A. Mission Statement for Appropriation Name:

The Department of Homeland Security (DHS) Office of the Secretary and Executive Management (OSEM) provides leadership, direction, and management to the Department. It supports the Department and all of its components to prevent and deter terrorist attacks, protect against and respond to threats and hazards to our nation, ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free-flow of commerce. OSEM establishes and implements policy, obtains resources, and provides oversight to all entities within the Department. It is the responsibility of OSEM to deliver quality customer support services while eliminating redundancies and reducing support costs. The Department continues to work toward integration and consolidation of its resources and operations to create a seamless organization that shares services, information, and best practices across previously stove-piped organizations.

The OSEM is a separate appropriation within Departmental Operations and Management, providing funds and FTE resources for 12 separate offices that individually report to the Secretary. A summary of these offices is briefly described below.

B. Budget Activities:

Immediate Office of the Secretary: The Office of the Secretary provides central leadership, management, and direction, and oversight for all the Department's components. It is the Secretary's role to serve as the top representative of DHS to the President, Congress, and the general public.

Immediate Office of the Deputy Secretary: The Office of the Deputy Secretary directly supports the Office of the Secretary in providing leadership to the Department. This office focuses on internal management and direction, ensuring the Department operates efficiently and effectively in carrying out its mission. It is the Deputy Secretary's role to provide internal oversight to all Departmental Operations, to allow the Secretary to focus more on external matters concerning DHS.

Chief of Staff: The Chief of Staff promotes the coordination of the Department agencies, directorates and offices. The Chief of Staff's Office is responsible for all operational functions that relate to the Immediate Office of the Secretary (budget, information technology, and personnel), and coordinates activities for the Department Headquarters continuity of operations. With the inherent challenges of a concurrent creation of a new Department, reorganization, consolidation, and several new offices, the Chief of Staff's Office seeks to streamline, coordinate, and deliver highly effective initiatives and policies that will ensure our safety, response capacity, and our freedoms.

Office of Policy: The Office of Policy is the primary coordinator of Department-wide policies, programs, and planning which will ensure consistency and integration of missions throughout the entire Department. It provides the Department with a central office to develop and communicate policies across multiple components of the homeland security network and it strengthens the Department's ability to maintain policy and operational readiness needed to protect the homeland. It also provides the foundation and direction for Department-wide strategic planning and resource priorities. A central DHS policy office that bridges multiple headquarters' components and operating agencies will improve communication among DHS entities, eliminate duplication of effort, and translate policies into timely action. It will also create a single point of contact for internal and external stakeholders that will allow for streamlined policy management across the Department.

Executive Secretary: The mission of the Office of the Executive Secretary is to establish effective and proficient protocol in the processing of all internal communication, decision management, briefings, liaison activity between the Department and its components, and external correspondence for the Immediate Office of the Secretary and all directorates. The department-wide scope of this office facilitates achievement of the Department's goals by developing channels of internal communication and of correspondence to be implemented by all offices and by establishing policies for the approval and dissemination of internal and external communication.

Office of Public Affairs: The Office of Public Affairs oversees and manages all external and internal communications at the Departmental level. This office responds to national media inquires, maintains and updates the Department's web site, writes speeches for principals, and coordinates speaking events for Department officials across the country. The Office of Public Affairs also develops and manages various public education programs.

Office of Legislative and Intergovernmental Affairs: The Office of Legislative and Intergovernmental Affairs serves as the Secretary's principal liaison with Capitol Hill and other governmental entities. The office fosters working relationships with Members of Congress and staff to engender legislative support for the DHS programs, policies and initiatives that will secure America.

Office of General Counsel: The Office of General Counsel is responsible for all legal activities within the Department to ensure full implementation of the Department's statutory responsibilities and all policies set forth by the Administration, the Secretary, and all officials of the Department. The Office of General Counsel provides legal counsel for all DHS offices (except those specifically excluded by regulation or directive), determines the Department's position in order to provide effective legal services dealing with claims, protests, litigation, and alternative dispute resolution, and represents the Department in all legal forums.

***Office of Civil Rights and Civil Liberties*:** The mission of the Office of Civil Rights and Civil Liberties is to protect civil rights and civil liberties, provide policy advice on the full range of civil rights and civil liberties issues, and to serve as an information and communication channel with the public regarding all aspects of these issues. It is the responsibility of this office to review and to assess information alleging abuses of civil rights, civil liberties, and racial and ethnic profiling by employees and by officials of the Department. The Office of Civil Rights and Civil Liberties also has responsibility for overseeing the Department's equal employment opportunity program, bringing all civil rights-related issues under the jurisdiction of one office.

***Citizenship and Immigration Services Ombudsman*:** The mission of the Citizenship and Immigration Services (CIS) Ombudsman is to assist individuals and employers in resolving problems with citizenship and immigration services. This office provides oversight of the US Citizenship and Immigration Services (USCIS) and, to the extent possible, proposes changes in administrative practices to mitigate problems. It is the role of the CIS Ombudsman to review complaints to help enhance customer service and improve the efficiency of USCIS operations. Thus, the Ombudsman will identify major systemic obstacles to efficient processing of immigration benefits and services and provide USCIS with recommendations as to the means for resolving and/or mitigating these obstacles.

Privacy Officer: The Privacy Officer protects the collection, use, and disclosure of personal and Departmental information. The Privacy Office ensures that appropriate access to information is consistent with the vision, mission, and core values of the Department, and implements the policies of the Department to defend and to protect the individual rights, liberties, and information interests of our citizens. The Privacy Office has oversight of all privacy policy matters, including compliance with the Privacy Act of 1974, the Freedom of Information Act, and the completion of privacy impact assessments on all new programs, as required by the E-Government Act of 2002 and Section 222 of the Homeland Security Act.

Office of Counternarcotics Enforcement: The Office of Counternarcotics Enforcement coordinates DHS policy within the Department, other Federal departments and agencies, and State and local agencies with respect to stopping the entry of illegal drugs into the United States. It ensures the adequacy of resources within the Department and recommends the appropriate financial and personnel resources necessary to help the Department better fulfill its responsibility to stop the entry of illegal drugs into the United States. The office is also a representative of the Department on all task forces, committees, or other entities whose purpose is to coordinate the counternarcotics enforcement activities of the Department and other Federal, State or local agencies.

C. Budget Request Summary:

The OSEM requests a total of 451 FTE and $97,508,000 in FY 2007. This represents an increase of 35 FTE and a decrease of ($28,390,000) from the FY 2006 enacted. The FY 2007 request includes $4,625,000 for annualizations and technical adjustments, as well as pay and non-pay inflationary adjustments, $21,000 for transfers, $14,247,000 for program enhancements and a decrease of ($47,283,000) due to the non-recurring Pandemic Flu Supplemental P.L. 109-148.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Office of the Secretary and Executive Management
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Immediate Office of the Secretary	9	$1,971	12	$2,369	12	$3,148		$779	---	694	---	$85
Immediate Office of the Deputy Secretary	5	1,038	6	1,121	6	1,648	---	527	---	500	---	27
Chief of Staff	15	3,915	12	2,221	12	2,901	---	680	---	600	---	80
Office of Policy	27	5,973	104	20,506	119	31,093	15	10,587	15	8,053	---	2,534
Executive Secretary	27	2,891	35	4,090	37	5,001	2	911	2	788	---	123
Office of Public Affairs	35	7,940	43	8,229	43	6,808	---	(1,421)	---	---	---	(1,421)
Office of Legislative & Intergovernmental Affairs	33	4,069	51	6,262	51	6,479	---	217	---	---	---	217
Office of the General Counsel	66	10,659	68	11,154	79	14,065	11	2,911	11	2,612	---	299
Office of Civil Rights and Civil Liberties	22	12,576	34	12,870	39	13,125	5	255	5	---	---	255
Citizenship and Immigration Ombudsman	22	2,434	24	3,615	24	5,927	---	2,312	---	---	---	2,312
Privacy Officer	11	3,828	16	4,337	16	4,435	---	98	---	---	---	98
Office of Counternarcotics Enforcement	10	938	11	1,841	13	2,878	2	1,037	2	1,000	---	37
Adjustments as a Result of Second Stage Review [1/]	37	24,468										
Pandemic Flu Supplemental, Public Law 109-148				47,283			---	(47,283)	---	---	---	(47,283)
Subtotal, Enacted Appropriations and Budget Estimates	**319**	**$82,700**	**416**	**$125,898**	**451**	**$97,508**	**35**	**($28,390)**	**35**	**$14,247**	**---**	**($42,637)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**319**	**$82,700**	**416**	**$125,898**	**451**	**$97,508**	**35**	**($28,390)**	**35**	**$14,247**	**---**	**($42,637)**

[1/] Adjustment reflects actual obligations in FY 2005 for offices that have been transferred out of OSEM in FY 2006 as a result of the Second Stage Review.

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III. Current Services Program Description by PPA

Department of Homeland Security
Office of the Secretary and Executive Management
Program Performance Justification
(Dollars in thousands)

PPA: IMMEDIATE OFFICE OF THE SECRETARY

	Perm Pos	FTE	Amount
2005 Actual	**12**	**9**	**$1,971**
2006 Enacted	**12**	**12**	**2,369**
2007 Adjustments-to-Base	...	...	85
2007 Current Services	**12**	**12**	**2,454**
2007 Program Change	...	...	694
2007 Request	**12**	**12**	**3,148**
Total Change 2006-2007	...	...	779

The Office of the Secretary and Executive Management requests $3.1 million for this activity. This is an increase of $779,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:
The OSEM provides central leadership, management, direction, and oversight of all the Department's components. It is the Secretary's role to serve as the top representative of the DHS to the President, to the Congress, and to the general public.

PPA: IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

	Perm Pos	FTE	Amount
2005 Actual	**6**	**5**	**$1,038**
2006 Enacted	**6**	**6**	**1,121**
2007 Adjustments-to-Base	...	...	27
2007 Current Services	**6**	**6**	**1,148**
2007 Program Change	...	...	500
2007 Request	**6**	**6**	**1,648**
Total Change 2006-2007	...	...	527

The Office of the Secretary and Executive Management requests $1.1 million for this activity. This is an increase of $527,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of the Deputy Secretary supports the Office of the Secretary in providing leadership to the Department. This office focuses on internal management and direction, ensuring the Department operates efficiently and effectively in carrying out its mission. It is the Deputy Secretary's role to

provide internal oversight to all Departmental Operations, to allow the Secretary to focus more on external matters concerning the DHS.

PPA: CHIEF OF STAFF

	Perm Pos	FTE	Amount
2005 Actual	**25**	**15**	**$3,915**
2006 Enacted	**12**	**12**	**2,221**
2007 Adjustments-to-Base	...	...	80
2007 Current Services	**12**	**12**	**2,301**
2007 Program Change	...	...	600
2007 Request	**12**	**12**	**2,901**
Total Change 2006-2007	...	...	680

The Office of the Secretary and Executive Management requests $2.9 million for this activity. This is an increase of $680,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Chief of Staff's Office is responsible for all operational functions that relate to the Immediate Office of the Secretary (budget, information technology, and personnel), and coordinates activities for the Department Headquarters continuity of operations. With the inherent challenges of a concurrent creation of a new Department, reorganization, consolidation, and several new offices, the Chief of Staff's Office seeks to streamline, coordinate, and deliver highly effective initiatives and policies that will ensure our safety, response capacity, and our freedoms.

PPA: OFFICE OF POLICY

	Perm Pos	FTE	Amount
2005 Actual	**28**	**27**	**$5,973**
2006 Enacted	**104**	**104**	**20,506**
2007 Adjustments-to-Base	...	...	2,534
2007 Current Services	**104**	**104**	**23,040**
2007 Program Change	25	15	8,053
2007 Request	**129**	**119**	**31,093**
Total Change 2006-2007	25	15	10,587

The Office of the Secretary and Executive Management requests $8 million for this activity. This is an increase of $10.5 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Policy is the primary coordinator of Department-wide policies, programs, and planning which will ensure consistency and integration of missions throughout the entire Department. It provides the Department with a central office to develop and communicate policies across multiple

components of the homeland security network and it strengthens the Department's ability to maintain policy and operational readiness needed to protect the homeland. It also provides the foundation and direction for Department-wide strategic planning and budget priorities. A central DHS policy office that bridges multiple headquarters' components and operating agencies will improve communication among DHS entities, eliminate duplication of effort, and translate policies into timely action. It will also create a single point of contact for internal and external stakeholders that will allow for streamlined policy management across the Department.

PPA: EXECUTIVE SECRETARY

	Perm Pos	FTE	Amount
2005 Actual	**35**	**27**	**$2,891**
2006 Enacted	**35**	**35**	**4,090**
2007 Adjustments-to-Base	...	...	123
2007 Current Services	**35**	**35**	**4,213**
2007 Program Change	4	2	788
2007 Request	**39**	**37**	**5,001**
Total Change 2006-2007	...	...	911

The Office of the Secretary and Executive Management requests $5 million for this activity. This is an increase of $911,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of the Executive Secretary has established effective and proficient protocol in the processing of all internal communication, decision management, briefings, liaison activity between the Department and its components, and external correspondence for the Immediate Office of the Secretary and all directorates. The department-wide scope of this office facilitates achievement of the Department's goals by developing channels of internal communication and of correspondence to be implemented by all offices and by establishing policies for the approval and dissemination of internal and external communication.

PPA: OFFICE OF PUBLIC AFFAIRS

	Perm Pos	FTE	Amount
2005 Actual	**43**	**35**	**$7,940**
2006 Enacted	**43**	**43**	**8,229**
2007 Adjustments-to-Base	...	...	(1,421)
2007 Current Services	**43**	**43**	**6,808**
2007 Program Change	...	...	...
2007 Request	**43**	**43**	**6,808**
Total Change 2006-2007	...	...	...

The Office of the Secretary and Executive Management requests $6.8 million for this activity. This is a decrease of $1.4 million over FY 2006

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Public Affairs oversees and manages all external and internal communications at the Departmental level. This office responds to national media inquires, maintains and updates the Department's web site, writes speeches for principals, and coordinates speaking events for Department officials across the country. The Office of Public Affairs also develops and manages various public education programs.

PPA: OFFICE OF LEGISLATIVE AND INTERGOVERNMANTAL AFFAIRS

	Perm Pos	FTE	Amount
2005 Actual	**45**	**33**	**$4,069**
2006 Enacted	**51**	**51**	**6,262**
2007 Adjustments-to-Base	...	...	217
2007 Current Services	**51**	**51**	**6,479**
2007 Program Change	...	...	...
2007 Request	**51**	**51**	**6,479**
Total Change 2006-2007	...	...	...

The Office of the Secretary and Executive Management requests $6.5 million for this activity. This is an increase of $217,000 over FY 2006

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Legislative and Intergovernmental Affairs serves as the Secretary's principal liaison with Capitol Hill and other governmental entities. The office fosters working relationships with Members of Congress and staff to engender legislative support for the Department of Homeland Security programs, policies and initiatives that will facilitate the unified national effort to secure America.

PPA: OFFICE OF THE GENERAL COUNSEL

	Perm Pos	FTE	Amount
2005 Actual	**66**	**66**	**$10,659**
2006 Enacted	**68**	**68**	**11,154**
2007 Adjustments-to-Base	...	...	299
2007 Current Services	**68**	**68**	**11,453**
2007 Program Change	17	11	2,612
2007 Request	**85**	**79**	**14,065**
Total Change 2006-2007	17	11	2,911

The Office of the Secretary and Executive Management requests $14 million for this activity. This is an increase of $2.9 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of General Counsel is responsible for all legal activities within the Department to ensure full implementation of the Department's statutory responsibilities and all policies set forth by the Secretary and all officials of the Department. The Office of General Counsel provides legal counsel for all DHS offices (except those specifically excluded by regulation or directive), determines the Department's position in order to provide effective legal services dealing with claims, protests, litigation, and alternative dispute resolution, and represents the Department in all legal forums.

PPA: OFFICE OF CIVIL RIGHTS AND CIVIL LIBERTIES

	Perm Pos	FTE	Amount
2005 Actual	**22**	**22**	**$12,576**
2006 Enacted	**34**	**34**	**12,870**
2007 Adjustments-to-Base	...	...	255
2007 Current Services	**34**	**34**	**13,125**
2007 Program Change	9	5	...
2007 Request	**43**	**39**	**13,125**
Total Change 2006-2007	...	...	...

The Office of the Secretary and Executive Management requests $13.1 million for this activity. This is an increase of $255,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The mission of the Office of Civil Rights and Civil Liberties is to protect civil rights and civil liberties, to support the Department by providing policy advice on the full range of civil rights and civil liberties issues, and to serve as an information and communication channel with the public regarding all aspects of these issues. It is the responsibility of this office to review and to assess information alleging abuses of civil rights, civil liberties, and racial and ethnic profiling by employees and by officials of the Department. The Office of Civil Rights and Civil Liberties also has responsibility for overseeing the Department's equal employment opportunity program, bringing all civil rights-related issues under the jurisdiction of one office.

PPA: CITIZENSHIP AND IMMIGRATION OMBUDSMAN

	Perm Pos	FTE	Amount
2005 Actual	**24**	**22**	**$2,434**
2006 Enacted	**24**	**24**	**3,615**
2007 Adjustments-to-Base	...	...	2,312
2007 Current Services	**24**	**24**	**5,927**
2007 Program Change	...	...	...
2007 Request	**24**	**24**	**5,927**
Total Change 2006-2007	...	...	2,312

The Office of the Secretary and Executive Management requests $5.9 million for this activity. This is an increase of $2.3 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The mission of the Citizenship and Immigration Services (CIS) Ombudsman is to assist individuals and employers in resolving problems with citizenship and immigration services. This office provides oversight for US Citizenship and Immigration Services (USCIS) and, to the extent possible, proposing changes in administrative practices to mitigate problems uncovered. It is the role of the CIS Ombudsman to review complaints to help enhance customer service and improve the efficiency of USCIS operations. Thus, the Ombudsman will identify major systemic obstacles to efficient processing of immigration benefits and services and provide USCIS with recommendations as to the means for resolving and/or mitigating these obstacles.

PPA: PRIVACY OFFICER

	Perm Pos	FTE	Amount
2005 Actual	**12**	**11**	**$3,828**
2006 Enacted	**16**	**16**	**4,337**
2007 Adjustments-to-Base	...	...	98
2007 Current Services	**16**	**16**	**4,435**
2007 Program Change	...	...	...
2007 Request	**16**	**16**	**4,435**
Total Change 2006-2007	...	...	98

The Office of the Secretary and Executive Management requests $4.4 million for this activity. This is an increase of $98,000 over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Privacy Officer protects the collection, use, and disclosure of personal and Departmental information. The Privacy Office ensures that appropriate access to information is consistent with the vision, mission, and core values of the Department, and implements relevant statutes along with the policies of the Department to defend and protect the individual rights, liberties, and information interests of our citizens. The Privacy Office has oversight of all privacy policy matters, including compliance with the Privacy Act of 1974, the Freedom of Information Act, and the completion of privacy impact assessments on all new programs, as required by the E-Government Act of 2002 and Section 222 of the Homeland Security Act.

PPA: OFFICE OF COUNTERNARCOTICS ENFORCEMENT

	Perm Pos	FTE	Amount
2005 Actual	**11**	**10**	**$938**
2006 Enacted	**11**	**11**	**1,841**
2007 Adjustments-to-Base	...	...	37
2007 Current Services	**11**	**11**	**1,878**
2007 Program Change	4	2	1,000
2007 Request	**15**	**13**	**2,878**
Total Change 2006-2007	4	2	1,037

The Office of the Secretary and Executive Management requests $2.9 million for this activity. This is an increase of $1 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Counternarcotics Enforcement coordinates policy within DHS and between the Department and other Federal departments and agencies, and between the Department and State and local agencies with respect to stopping the entry of illegal drugs into the United States. It ensures the adequacy of resources within the Department and recommends the appropriate financial and personnel resources necessary to help the Department better fulfill its responsibility to stop the entry of illegal drugs into the United States.

IV. Program Justification of Changes

Department of Homeland Security
Component Name (CN)
Appropriation Name
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Senior Leadership Travel Initiative

Strategic Goal(s) & Objective(s): Continually improve our way of doing business.
PPA: Immediate Offices of the Secretary, Deputy Secretary and Chief of Staff

Program Increase: Positions 0 FTE 0 Dollars $1,794

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	807
Program Increase							0	0	1,794
Total Request	**0**	**0**	**$1,574**	**0**	**0**	**807**	**0**	**0**	**$2,601**

Description of Item
Office of the Secretary requests an increase of $694,000, the Office of the Deputy Secretary requests an increase of $500,000, and the Chief of Staff requests an increase of $600,000 to its non-personnel budget to support the travel needs of the Department's Senior Leaders.

Justification
The responsibilities of the Secretary of Homeland Security, like those of the Secretaries of State, Defense, the Attorney General, and the Directors of the CIA and the FBI, are such that he requires secure communications capability with the White House, the Department of Homeland Security, and other agencies. In addition, in an emergency, he must be able to return to Washington, or to proceed to other destinations, on an expedited basis. Moreover, the Secretary has a heightened need for security because his official duties and public visibility substantially increases the likelihood of threats to his personal safety. As a result, the President has determined that, like travel by the Secretaries of State and Defense, the Attorney General, and the Directors of the CIA and FBI, travel by the Secretary of Homeland Security constitutes "required use travel".

The designation of "required use travel" by the Secretary requires the Secretary to use Government aircraft instead of commercial transportation. As a result, the Secretary must use air transportation provided by the U.S. Coast Guard (USCG), Federal Aviation Agency (FAA) or the U.S. Air Force (USAF), which is significantly more expensive than commercial transportation. Depending on the aircraft, the cost ranges from $790 to $8,936 per flight hour. Below is chart with the current rates per flight hour by the various aircraft provided by USCG, FAA and USAF:

Agency	Aircraft	Cost Per Hour
USCG	C-37 (G-V)	$8,936
USCG	HU-25 (Falcon)	$5,744
USCG Operating Lease	G-200	$7,400
FAA	G-IV	$2,590
FAA	CE560 XL	$790
USAF	C-37 (G-V)	$4,332
USAF	C-20 (G-IV)	$4,249

It is important to note that the charges for each flight are based on the cost per flight hour for the aircraft used. For example, a five hour flight on USCG's G-V aircraft would cost $44,680.

Impact on Performance (Relationship of Increase to Strategic Goals)
This request will enhance performance by allowing the Secretary to continually improve our way of doing business and impact the Strategic Goal of Organizational Excellence.

Program Increase 2: Secure Border Initiative (SBI)

Strategic Goal(s) & Objective(s): Continually improve our way of doing business.
PPA: Office of Policy

Program Increase: Positions 4 FTE 2 Dollars $4,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							10	6	4,000
Total Request	**0**	**0**	**$0**	**0**	**0**	**$4,000**	**10**	**6**	**$4,000**

Description of Item
Office of Policy requests an increase of $4 million to support the DHS components participating in the Secure Border Initiative (SBI).

Justification
The SBI needs four professional senior policy analysts, a legal analyst and one program support person to manage the program requirements of SBI. Subject-matter and legal experts are needed to implement an integrated systems approach to border security and to provide analysis of matters related to detention and removal, visas, worksite enforcement, budget and financial matters, Congressional inquiries, technology implementation, and interior enforcement issues. A full compliment of professional analysts will enable the Secretary and DHS officials to receive timely and accurate information regarding complex subject matters of priority to President and the Secretary. The first year cost for the 10 professional analysts is $1.2 million. Furthermore, additional support is needed to deepen the policy expertise in administering the Congressional and administrative requirements; develop an interior enforcement strategy; conduct and analyze field data; and to map strategies to

integrate DHS-wide border security functions into a unified structure. The funding required for this support is $2.8 million.

Impact on Performance (Relationship of Increase to Strategic Goals)
This request will enhance performance by allowing the Office of Policy to support this critical DHS initiative.

Program Increase 3: Weapons of Mass Destruction, Preparedness and Disaster Response Initiative

Strategic Goal(s) & Objective(s): Continually improve our way of doing business.
PPA: Office of Policy

Program Increase: Positions 4 FTE 2 Dollars $1,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							21	21	4,160
Program Increase							4	2	1,000
Total Request	**0**	**0**	**$0**	**21**	**21**	**$4,160**	**25**	**22**	**$5,160**

Description of Item
Office of Policy requests an increase of $1 million to support a professional staff with expertise in weapons of mass destruction immigration reform and disaster preparedness.

Justification
The Policy Directorate will hire professional staff with expertise in weapons of mass destruction (WMD), immigration reform, preparedness and disaster response. These analysts will effectively guide and coordinate the policies, planning, and international issues that meet the strategic goals and priorities of the Department. Specifically, policy staff with expertise in biological threats, nuclear weapons threats, intelligence policy, preparedness, and/or immigration policy is critical in developing comprehensive border security. The first year cost for the four positions is $488,000 and $512,000 will be used to support the creation of this new staff.

Impact on Performance (Relationship of Increase to Strategic Goals)
This request will enhance performance by allowing the Office of Policy to Departments initiatives and to continually improve our way of doing business by enhancing the expertise need to develop Departmental policy enhancing the ability for DHS to respond to disasters and threats of mass destruction.

Program Increase 4: Office of Policy Staffing Initiative

Strategic Goal(s) & Objective(s): Continually improve our way of doing business.

PPA: Office of Policy

Program Increase: Positions 11 FTE 7 Dollars $3,053

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							6	6	1,498
Program Increase							11	7	3,053
Total Request	**5**	**5**	**$1,287**	**6**	**6**	**$1,498**	**17**	**13**	**$4,551**

Description of Item
Office of the Secretary requests an increase of $3.053 million to fund critical staffing requirements for the Committee on Foreign Investments in the United States, International Affairs and the Homeland Security Advisory Counsel.

Justification
Presently the Committee on Foreign Owned Investments (CFIUS) does not have permanent staff. This initiative request $1.053 million in funding with 5 positions and 3 FTE to create a dedicated office to assess the vulnerability and risk of specific CFIUS cases and allows the committee to become fully operational. Creating this new office will require expert assistance and therefore a request for contract support is included. Creating a permanent staff will allow CFIUS to increase compliance monitoring tasks to improve its early warning program and perform vulnerability baseline assessments. The funding needed to support the first year costs for 5 positions is $610,000 and additional contract support needed to setup the permanent staff is $443,000.

The primary mission of the Office of International Affairs (OIA) is to promote DHS' goals and objectives, while coordinating the activities of the DHS activities outside the United States. International Affairs requests $1.669 million to fund four positions to create an international attaché program, a Director of European and Multicultural Affairs position and an international training and technical assistance program. The Attachés will serve Mexico and Canada as direct representatives of the Secretary on-site to promote the vision and objectives of U.S. homeland security. This initiative contributes to building the staffing structure needed to effectively execute the DHS international mission which includes the OIA's statutory as well as expected responsibilities. The funding needed to support the first year costs of 4 positions is $908,000. In addition to the position funding, OIA is requesting and increase of $824,000 in support to setup the attaché program, to initiate the international training program and to provide second year costs for European Union position funded in the Office of the Secretary and Executive Management FY 2006 appropriation.

The mission of the Homeland Security Advisory Counsel (HSAC) is critical to each Homeland Security Presidential Directive (HSPD). Our Council and Committees serve as the external stakeholder group that recommends policy toward HSPD implementation efforts. This body serves the Department and the Secretary by providing critical recommendations to the development of policy related to - and implementation of - various HSPDs. The members are critical in providing support for

Presidential Directives amongst external stakeholders. HSAC needs $221,000 to cover first year cost for 2 positions.

Impact on Performance (Relationship of Increase to Strategic Goals)
This request will enhance the performance of the Office of Policy and to continually improve our way of doing business by increasing resources needed to expand offices which play a critical role in Departmental policy development and impact the Strategic Goal of Organizational Excellence.

Program Increase 5: Office of General Counsel Staffing Initiative

Strategic Goal(s) & Objective(s): Continually improve our way of doing business.
PPA: Office of the General Counsel

Program Increase: Positions 17 FTE 11 Dollars $2,612

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							19	19	3,595
Program Increase							17	11	2,612
Total Request	**19**	**19**	**$3,366**	**19**	**19**	**$3,510**	**36**	**30**	**$6,207**

Description of Item
The Office of the General Counsel (OGC) requests an increase of $2.6 million in order to better meet the legal advisory needs of the Department. The requested 17 positions and 11 FTE will help alleviate the current understaffing in the General Counsel's Office.

Justification
OGC requests 17 positions and $2.6 million dollars to cover the first year coasts to hire attorneys.

- 2 attorneys to draft legal opinions of the Department and provide written opinions and oral advice in response to requests from the Secretary and other senior executives of the Department as well as other agencies and components within the Department.
- 4 attorneys to provide legal support for issues arising from or relating to MaxHR and for providing legal support on all other DHS labor and employment law policy and litigation.
- 2 attorneys to assist the Department in meeting its statutory reporting obligations and provide timely responses to Congressional requests. OGC needs resources to manage a centralized system for ensuring that the Department's legal obligations to the Congress are being addressed, including delivering testimony, responding to questions for the record, issuing reports to Congress, offering views on proposed legislation, and responding to Congressional correspondence.

- 4 attorneys to establish appropriate legal support the Office of Procurement Operations and its approximately $2 billion per year in contracts. Providing superficial legal support will subject the department to avoidable waste, thereby depriving scarce homeland security funds from their best and highest use.

- 1 attorney to provide more tailored and widely available ethics training for Department personnel through the development of ethics training materials and courses for use throughout DHS, including use of interactive computer training vehicles such as the Bureau of Public Debt's Ethicsburg system, and maintaining a robust Departmental ethics web presence to effectively assist employees in learning about and complying with the Standards of Conduct.

- 2 attorneys to provide timely advice and counsel on all areas of intellectual property (science and technology) affecting the development and use systems being used or supported by DHS and the transfer of federally owned technology.

- 1 attorney to support the National Communications Division (NCD), a part of Information Analysis Directorate. The NCD was transferred from DoD to DHS by the Homeland Security Act of 2002. However, legal and other support continued to be provided by DoD under an interagency service support agreement while the NCD remained on a DOD compound in northern Virginia. The NCD is now moving from the DOD installation to DHS space.

- 1 attorney to further the accomplishment of the Department's mission by improving the quality and content of catastrophic response planning decisions and help ensure the effectiveness of emergency response providers to terrorist attacks, major disasters, and other emergencies.

Impact on Performance (Relationship of Increase to Strategic Goals)
This OGC request will enhance performance and improve our way of doing business by alleviating the current understaffing in critical areas that impact the Strategic Goal of Organizational Excellence.

Program Increase 6: Executive Secretary Office Expansion

Strategic Goal(s) & Objective(s): Continually improve our way of doing business.
PPA: Executive Secretary

Program Increase: Positions 4 FTE 2 Dollars $788

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							35	35	4,213
Program Increase							4	2	788
Total Request	**35**	**35**	**$3,500**	**35**	**35**	**$4,090**	**0**	**0**	**$5,001**

Description of Item
This request is to fund the Office of the Executive Secretary in its mission of supporting the Office of the Secretary by providing effective and proficient policy and guidance in the processing of all internal communication, decision management, inter agency liaison and external correspondence for the Immediate Office of the Secretary and all directorates.

Justification
This initiative facilitates achievement of the Department's goals by establishing protocol and procedures to be implemented by all offices. The increase in funding will be used to cover the first year cost of four positions totaling $488,000 as well as an increase of $300,000 to meet training, equipment and contract needs to support the executive correspondence process. Appropriate funding will allow the Office of the Executive Secretary to be fully staffed with the equipment and training necessary to have highly skilled and professional staff members able to fully support the Office of the Secretary.

Impact on Performance (Relationship of Increase to Strategic Goals)
This requested increase will directly impact the performance of the office and directly support the strategic goal of continually improving the way of doing business by providing the level of positions and funding needed to adequately support the communications needs of the Secretary and executive management of the Department.

Program Increase 7: Office of Counter Narcotics Enforcement Program Expansion

Strategic Goal(s) & Objective(s): Continually improve our way of doing business.
PPA: Office of Counter Narcotics Enforcement

Program Increase: Positions 4 FTE 2 Dollars $1,000

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							11	11	1,878
Program Increase							4	2	1,000
Total Request	**11**	**11**	**$1,860**	**11**	**11**	**$1,841**	**15**	**13**	**$2,878**

Description of Item
Office of Counternarcotics Enforcement (OCNE) requests an increase of $1 million to fully staff the office and provide equipment and training necessary to have highly skilled and professional staff members able to fully support the DHS counternarcotics efforts.

Justification

The OCNE needs additional staff expertise to provide the Secretary with the information he needs to make national level policy decisions on how the US will effectively counter the international drug threat. This increase will provide funding to fully staff the office, meet travel requirements and increase communications capabilities. OCNE will use $439,000 to fund 4 positions and the remaining $561,000 to fund communications, and special IT services supporting OCNE and equipment.

Impact on Performance (Relationship of Increase to Strategic Goals)
This OCNE request will enhance performance and continually improve our way of doing business and impact the Strategic Goal of Organizational Excellence by increasing the Department's ability to counter the international drug threat.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Office of the Secretary and Executive Management
Justification of Proposed Changes in Appropriation Name
Appropriation Language

For necessary expenses of the Office of the Secretary of Homeland Security, as authorized by section 102 of the Homeland Security Act of 2002 (6 U.S.C. 112), and executive management of the Department of Homeland Security, as authorized by law, [$78,615,000] ***$97,508,000***: *Provided,* That not to exceed $40,000 shall be for official reception and representation expenses.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Office of the Secretary and Executive Management
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE *	Amount
2005 Actual	**361**	**319**	**$82,700**
2006 Revised Enacted	**416**	**416**	**78,615**
Pandemic Flu Supplemental P.L 109-148			47,283
2006 Revised Enacted	**416**	**416**	**125,898**
Adjustments-to-Base			
Transfers to and from other accounts:			
Transfer of CFIUS from Preparedness to Policy	—	—	1,650
Transfer of Ready Campaign from Public Affair to Preparedness	—	—	(1,629)
Total Transfers	—	—	21
Increases			
Annualization of prior year part year funding	—	—	2,625
Unfunded Technical FTE Adjustment Office of Civil Rights & Civil Liberties	9	5	—
2007 pay increase	—	—	1,502
Non-pay inflation excluding GSA Rent	—	—	498
Total Increases	9	5	4,625
Decreases			
Decrease of Pandemic Flu Supplemental P.L. 109-148	—	—	(47,283)
Total Decreases	—	—	(47,283)
Total Adjustments-to-Base	9	5	(42,637)
2007 Current Services	**425**	**421**	**83,261**
Program Changes			
Program Increases/(Decreases)			
Immediate Office of the Secretary	—	—	694
Immediate Office of the Deputy Secretary	—	—	500
Chief of Staff	—	—	600
Office of Policy	25	15	8,053
Executive Secretary	4	2	788
Office of Public Affairs	—	—	—
Office of Legislative & Intergovernmental Affairs	—	—	—
Office of the General Counsel	17	11	2,612
Office of Civil Rights and Civil Liberties	—	—	—
Citizenship & Immigration Ombudsman	—	—	—
Privacy Officer	—	—	—
Office of Counternarcotics Enforcement	4	2	1,000
Total Program Changes	**50**	**30**	**14,247**
2007 Request	**475**	**451**	**97,508**
2006 to 2007 Total Change with Pandemic Flu Supplemental P.L. 109-148	—	—	**(28,390)**
2006 to 2007 Total Change without Pandemic Flu Supplemental	**59**	**35**	**18,893**

* Due to a late adjustment the FY 2007 FTE total in President's Budget Appendix is different than the FY 2007 FTE total requested.

C. Summary of Requirements

Department of Homeland Security
Office of the Secretary and Executive Management
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	361	319	$82,700
2006 Revised Enacted	416	416	78,615
Pandemic Flu Supplemental P.L. 109-148	---	---	47,283
2006 Gross Enacted	416	416	125,898
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers net of $1.65 million into the Office of Policy for Committee on Foreign Owned Investments in the United States (CFIUS) and $1.629 million out of Public Affairs for Ready Campaign	---	---	21
Increases include $2.625 Annualization of prior year funding for CIS Ombudsman, $1.5 FY 2007 pay increase, $.498 FY 2007 non-pay increase and technical FTE adjustment for Civil Rights and Civil Liberties.	9	5	4,625
Decrease of Pandemic Flu Supplemental P.L. 109-148	---	---	(47,283)
Total Adjustments-to-Base	9	5	(42,637)
2007 Current Services	425	421	83,261
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	50	30	14,247
2007 Total Request	475	451	97,508
2006 to 2007 Total Change	59	35	18,893

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos	FTE *	Amount	Pos.	FTE	Amount
1 Immediate Office of the Secretary	12	12	$2,369	---	---	$85	---	---	$ 694	12	12	$3,148	---	---	$779
2 Immediate Office of the Deputy Secretary	6	6	1,121	---	---	27	---	---	500	6	6	1,648	---	---	527
3 Chief of Staff	12	12	2,221	---	---	80	---	---	600	12	12	2,901	---	---	680
4 Office of Policy	104	104	20,506	---	---	2,534	25	15	8,053	129	119	31,093	25	15	10,587
5 Executive Secretary	35	35	4,090	---	---	123	4	2	788	39	37	5,001	4	2	911
6 Office of Public Affairs	43	43	8,229	---	---	(1,421)	---	---	---	43	43	6,808	---	---	(1,421)
7 Office of Legislative & Intergovernmental Affairs	51	51	6,262	---	---	217	---	---	---	51	51	6,479	---	---	217
8 Office of the General Counsel	68	68	11,154	---	---	299	17	11	2,612	85	79	14,065	17	11	2,911
9 Office of Civil Rights and Civil Liberties	34	34	12,870	9	5	255	---	---	---	43	39	13,125	9	5	255
10 Citizenship & Immigration Ombudsman	24	24	3,615	---	---	2,312	---	---	---	24	24	5,927	---	---	2,312
11 Privacy Officer	16	16	4,337	---	---	98	---	---	---	16	16	4,435	---	---	98
12 Office of Counternarcotics Enforcement	11	11	1,841	---	---	37	4	2	1,000	15	13	2,878	4	2	1,037
13 Pandemic Flu Supplemental P.L. 109-148	---	---	47,283	---	---	---	---	---	---	---	---	---	---	---	(47,283)
Total	416	416	$125,898	9	5	$4,646	50	30	$14,247	475	451	$97,508	59	35	($28,390)

* Due to a late adjustment the FY 2007 FTE total in President's Budget Appendix is different than the FY 2007 FTE total requested

D. Summary of Reimbursable Resources

Department of Homeland Security
Office of the Secretary and Executive Management
Appropriation Name
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Department of Homeland Security, US Visit	---	---	$533							---	---	---
Department of Homeland Security, Office of the Inspector General	---	---	200							---	---	---
National Security Agency	---	---	50							---	---	---
Total Budgetary Resources	---	---	783	---	---	---	---	---	---	---	---	---

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Office of Security	---	---	$783							---	---	---
Total Obligations	---	---	783	---	---	---	---	---	---	---	---	---

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E. Summary of Requirements by Object Class

Department of Homeland Security
Office of the Secretary and Executive Management
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$21,023	$25,801	$32,266	$6,465
11.3 Other than full-time permanent	7,864	13,432	15,916	2,484
11.5 Other Personnel Compensation	712	753	915	162
12.1 Benefits	6,958	9,634	11,834	2,200
Total, Personnel Comp. & Benefits	**$36,557**	**$49,620**	**$60,931**	**$11,311**
Other Object Classes:				
21.0 Travel	1,483	1,752	2,117	365
22.0 Transportation of things	28	38	38	---
23.1 GSA rent	588	227	291	64
24.0 Printing and reproduction	152	172	198	26
25.1 Advisory and assistance services	14,074	11,235	12,112	877
25.2 Other services	16,851	5,591	8,027	2,436
25.3 Purchases of goods & svcs. from Gov't accounts	10,766	7,947	11,350	3,403
25.7 Operation and maintenance of equipment	480	525	631	106
26.0 Supplies and materials	1,127	1,046	1,255	209
31.0 Equipment	594	462	558	96
Total, Other Object Classes	**$46,143**	**$28,995**	**$36,577**	**$7,582**
Total, Direct Obligations	**$82,700**	**$78,615**	**$97,508**	**$18,893**
Pandemic Flu Supplemental P.L. 109-148		$47,283		(47,283)
Total, Direct Obligations OSEM	**82,700**	**125,898**	**97,508**	**(28,390)**
Unobligated balance, start of year				
Unobligated balance, end of year	10,003			
Recoveries of prior year obligations	47			
Total requirements	**92,750**	**125,898**	**97,508**	

F. Permanent Positions by Grade

Department of Homeland Security
Office of the Secretary and Executive Management
Appropriation Name
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	35	35	36	1
Total, EX	—	—	—	—
GS-15	97	102	121	19
GS-14	70	85	109	24
GS-13	50	69	84	15
GS-12	32	42	42	—
GS-11	24	30	30	—
GS-10	—	—	—	—
GS-9	26	26	26	—
GS-8	2	2	2	—
GS-7	12	12	12	—
GS-6	1	1	1	—
GS-5	4	4	4	—
GS-4	8	8	8	—
GS-3	—	—	—	—
GS-2	—	—	—	—
Other Graded Positions	—	—	—	—
Ungraded Positions	—	—	—	—
Total Permanent Positions	**361**	**416**	**475**	**59**
Unfilled Positions EOY	14	—	—	—
Total Perm. Employment EOY	347	416	475	59
FTE	**319**	**416**	**451**	**35**
Headquarters	360	414	471	57
U.S. Field	—	—	—	—
Foreign Field	1	2	4	2
Total Permanent Positions	**361**	**416**	**475**	**59**
Average ES Salary	$ 14,300	$ 143,948	$ 147,690	$ 3,742
Average GS Salary	$ 62,962	$ 64,599	$ 66,279	$ 1,680
Average GS Grade	11.73	11.80	11.90	0.10

H. PPA Budget Justifications

Department of Homeland Security
Office of the Secretary and Executive Management
Immediate Office of the Secretary
Funding Schedule

Immediate Office of the Secretary		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$319,276	$457,000	$475,280	$18,280
11.3	Other than perm	452,729	540,000	$561,600	21,600
11.5	Other per comp	20,430	30,000	$31,200	1,200
12.1	Benefits	164,348	299,000	$310,960	11,960
21.0	Travel	100,128	131,000	134,996	3,996
22.0	Transportation of things	14,790	16,000	16,488	488
24.0	Printing	9,208	3,000	3,092	92
25.2	Other Services	5,000	10,000	10,305	305
25.3	Purchase from Govt. Accts.	709,419	713,000	1,428,895	715,895
26.0	Supplies & materials	168,573	158,000	162,819	4,819
31.0	Equipment	6,800	12,000	12,366	366
	Total, Office of the Secretary	**$1,970,701**	**$2,369,000**	**$3,148,000**	**$779,000**
Full Time Equivalents		9	12	12	---

PPA Mission Statement

The Office of the Secretary provides central leadership, management, and direction for the entire Department of Homeland Security. This Office provides oversight for all offices within the Departmental Operations function as well as all other entities of the Department. It is the Secretary's role to serve as the top representative of the DHS to the President, to the Congress, and to the general public.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$956,783**	**$1,326,000**	**$1,379,040**	**$53,040**

Salaries and Benefits include costs for 12 FTEs. The FY 2007 request includes an increase of $53,040 for the proposed January 2007 increase in personnel compensation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$100,128**	**$131,000**	**$134,996**	**$3,996**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $3,996 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$14,790**	**$16,000**	**$16,488**	**$488**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $488 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$9,208**	**$3,000**	**$3,092**	**$92**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $92 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$5,000**	**$10,000**	**$10,305**	**$305**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $305 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$709,419**	**$713,000**	**$1,428,895**	**$715,895**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $21,895 in non-pay inflation and an increase of $694,000 to reimburse Coast Guard, FAA and Mil Air for required use travel by the Secretary.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$168,573**	**$158,000**	**$162,819**	**$4,819**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes an increase of $4,819 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$6,800**	**$12,000**	**$12,366**	**$366**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $366 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Immediate Office of the Deputy Secretary
Funding Schedule

Immediate Office of the Deputy Secretary		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$440,643	$475,000	$487,350	$12,350
11.3	Other than perm	239,326	220,000	$225,940	5,940
11.5	Other per comp	381	1,000	$1,027	27
12.1	Benefits	155,352	156,000	$160,056	4,056
21.0	Travel	30,873	100,000	101,700	1,700
25.2	Other Services	32,676	35,000	35,595	595
25.3	Purchase from Govt. Accts.	117,506	129,000	631,247	502,247
26.0	Supplies & materials	21,579	5,000	5,085	85
	Total, Deputy Secretary	**$1,038,336**	**$1,121,000**	**$1,648,000**	**$527,000**
Full Time Equivalents		5	6	6	---

PPA Mission Statement

The Office of the Deputy Secretary directly supports the Office of the Secretary in providing leadership to the Department. This office focuses on internal management and direction, ensuring the Department operates efficiently and effectively in carrying out its mission. It is the Deputy Secretary's role to provide internal oversight to all Departmental Operations, to allow the Secretary to focus more on external matters concerning the DHS.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$835,702**	**$852,000**	**$874,373**	**$22,373**

Salaries and Benefits include costs for 6 FTEs. The FY 2007 request includes an increase of $22,372 for the proposed January 2007 increase in personnel compensation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$30,873**	**$100,000**	**$101,700**	**$1,700**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $1,700 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$32,676**	**$35,000**	**$35,595**	**$595**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $595 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$117,506**	**$129,000**	**$631,247**	**$502,247**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $2,248 in non-pay inflation and an increase of $500,000 to reimburse Coast Guard, FAA and Mil Air for travel by the Deputy Secretary.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$21,579**	**$5,000**	**$5,085**	**$85**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY2007 request includes increases of $85 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Chief of Staff
Funding Schedule

Chief Of Staff		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$442,046	$203,000	$211,120	$8,120
11.3	Other than perm	1,220,682	1,001,000	$1,041,040	40,040
11.5	Other per comp	2,578	3,000	$3,120	120
12.1	Benefits	404,246	279,000	$290,160	11,160
21.0	Travel	219,592	126,000	129,402	3,402
23.1	GSA rent	26,618	12,000	12,324	324
24.0	Printing	41	100	103	3
25.1	Advisory & Assistance Services	18,000	19,900	20,437	537
25.2	Other Services	16,906	19,000	19,513	513
25.3	Purchase from Govt. Accts.	1,465,036	505,000	1,119,350	614,350
26.0	Supplies & materials	81,930	41,000	42,107	1,107
31.0	Equipment	17,801	12,000	12,324	324
	Total, Chief of Staff	**$3,915,476**	**$2,221,000**	**$2,901,000**	**$680,000**
Full Time Equivalents		15	12	12	--

PPA Mission Statement

The Chief of Staff promotes the coordination of the agencies and directorates that have been consolidated into the Department of Homeland Security. The Chief of Staff's Office is responsible for all operational functions that relate to the Immediate Office of the Secretary (budget, information technology, and personnel), and coordinates activities with the Department Headquarters continuity of operations. With the inherent challenges of a concurrent creation of a new Department, reorganization, consolidation, and several new offices, the Chief of Staff's Office seeks to streamline, to coordinate, and to deliver highly effective initiatives and policies that will ensure our safety, response capacity, and our freedoms.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$2,069,552**	**$1,486,000**	**$1,545,440**	**$59,440**

Salaries and Benefits include costs for 12 FTEs. The FY 2006 request includes an increase of $59,440 for the proposed January 2007 increase in personnel compensation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$219,592**	**$126,000**	**$129,402**	**$3,402**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $3,402 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$26,618**	**$12,000**	**$12,324**	**$324**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $324 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$41**	**$100**	**$103**	**$3**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $3 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$18,000**	**$19,900**	**$20,437**	**$537**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $537 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$16,906**	**$19,000**	**$19,513**	**$513**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $513 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$1,465,036**	**$505,000**	**$1,119,350**	**$614,350**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $14,350 in non-pay inflation and an increase of $600,000 to reimburse Coast Guard, FAA and Mil Air for required use travel in support of the Secretary.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$81,930**	**$41,000**	**$42,107**	**$1,107**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY2007 request includes increases of $1,107 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$17,801**	**$12,000**	**$12,324**	**$324**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $324 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Office of Policy
Funding Schedule

Office of Policy		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$1,176,760	$5,072,000	$6,571,600	$1,499,600
11.3	Other than perm	1,375,360	5,928,000	$7,681,400	1,753,400
11.5	Other per comp	52,378	226,000	$293,300	67,300
12.1	Benefits	580,803	2,633,000	$3,411,650	778,650
21.0	Travel	362,455	367,000	585,010	218,010
23.1	GSA rent	4,596	106,000	169,180	63,180
25.1	Advisory & Assistance Services	1,754,221	2,750,000	5,652,000	2,902,000
25.2	Other Services	150,634	954,000	2,796,620	1,842,620
25.3	Purchase from Govt. Accts.	451,438	2,150,000	3,423,000	1,273,000
26.0	Supplies & materials	57,269	213,000	339,030	126,030
31.0	Equipment	7,273	107,000	170,210	63,210
	Total, Policy	**$5,973,187**	**$20,506,000**	**$31,093,000**	**$10,587,000**
Full Time Equivalents		27	104	119	15

PPA Mission Statement

Strengthen homeland security by developing and integrating Department-wide policies, planning, and programs in order to better coordinate the Department's prevention, protection, response and recovery missions.

The Office of Policy is the primary coordinator of Department-wide policies, programs, and planning which will ensure consistency and integration of missions throughout the entire Department. It provides the Department with a central office to develop and communicate policies across multiple components of the homeland security network and it strengthens the Department's ability to maintain policy and operational readiness needed to protect the homeland. It also provides the foundation and direction for Department-wide strategic planning and budget priorities. A central DHS policy office that bridges multiple headquarters' components and operating agencies will improve communication among DHS entities, eliminate duplication of effort, and translate policies into timely action. It will also create a single point of contact for internal and external stakeholders that will allow for streamlined policy management across the Department.

The Policy Directorate brings together the Office of International Affairs, Homeland Security Advisory Council, Office of Private Sector Liaison, Office of Immigration Statistics, and expands the Border and Transportation Security Policy Office to include all aspects of the department. It also creates a Strategic Planning Office.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$3,185,301**	**$13,859,000**	**$17,957,950**	**$4,098,950**

Salaries and Benefits include costs for 119 FTEs. The FY 2007 request includes an increase of $693,950 for the proposed January 2007 increase in personnel compensation and a requested increase of $3,405,000 for an additional 15 FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$362,455**	**$367,000**	**$585,010**	**$218,010**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $11,014 in non-pay inflation and a requested increase of $206,996 in support program initiatives and support for the additional 15 FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$4,596**	**$106,000**	**$169,180**	**$63,180**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $3,394 in non-pay inflation and an increase of $59,786 in support of program initiatives and support for the additional 15 FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$1,754,221**	**$2,750,000**	**$5,652,000**	**$2,902,000**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $77,189 in non-pay inflation and an increase of $1,999,811 in support of program initiatives and support for the additional 15 FTE. Also included is an $825,000 transfer in to support the Committee for Foreign Investments in the United States CFIUS.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$150,634**	**$954,000**	**$2,796,620**	**$1,842,620**

Other services include report contractual services with non-Federal sources that are not otherwise classified under

Object Class 25. The FY 2007 request includes increases of $27,779 in non-pay inflation and an increase of $989,841 in support of program initiatives and support for the additional 15 FTE. Also included is an $825,000 transfer in to support the Committee for Foreign Investments in the United States CFIUS.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$451,438**	**$2,150,000**	**$3,423,000**	**$1,273,000**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $61,723 in non-pay inflation and an increase of $1,211,277 in support of program initiatives and support for the additional 15 FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$57,269**	**$213,000**	**$339,030**	**$126,030**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $6,091 in non-pay inflation and an increase of $119,939 in support of program initiatives and support for the additional 15 FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$7,273**	**$107,000**	**$170,210**	**$63,210**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $2,860 in non-pay inflation and an increase of $60,350 in support of program initiatives and support for the additional 15 FTE.

Department of Homeland Security
Office of the Secretary and Executive Management
Executive Secretary
Funding Schedule

Executive Secretary		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$873,163	$1,082,000	$1,350,445	$268,445
11.3	Other than perm	492,591	574,000	$716,410	142,410
11.5	Other per comp	60,459	73,000	$91,111	18,111
12.1	Benefits	322,056	561,000	$700,184	139,184
21.0	Travel	6,572	8,900	9,131	231
24.0	Printing	35,516	43,000	44,075	1,075
25.1	Advisory & Assistance Services	359,949	933,000	1,121,124	188,124
25.2	Other Services	11,900	19,000	22,870	3,870
25.3	Purchase from Govt. Accts.	196,264	204,000	245,553	41,553
25.7	Operation & maintenance of equipment	480,000	525,000	631,320	106,320
26.0	Supplies & materials	31,877	37,000	37,925	925
31.0	Equipment	20,932	30,100	30,853	752
	Total, Executive Secretary	**$2,891,279**	**$4,090,000**	**$5,001,000**	**$911,000**
Full Time Equivalents		27	35	37	2

PPA Mission Statement

The mission of the Office of the Executive Secretary is to establish effective and proficient protocol in the processing of all internal communication, decision management, briefings, liaison activity between the Department and its components, and external correspondence for the Immediate Office of the Secretary and all directorates.

The Office of the Executive Secretary will use its FY 2006 allocated resources to ensure the prompt and proper coordination of information and documents to and from the Department's Principals, directorates, overseas posts and other government agencies. Funding will be used to support the Executive Secretary's External Correspondence Office, which is responsible for reviewing, tracking and responding to all correspondence received within the Office of the Secretary.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,748,269**	**$2,290,000**	**$2,858,150**	**$568,150**

Salaries and Benefits include costs for 37 FTEs. The FY 2007 request includes an increase of $80,150 for the proposed January 2007 increase in personnel compensation and a requested increase of $488,000 for 2 additional FTEs.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$6,572**	**$8,900**	**$9,131**	**$231**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $231 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$35,516**	**$43,000**	**$44,075**	**$1,075**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $1,075 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$359,949**	**$933,000**	**$1,121,124**	**$188,124**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $21,692 in non-pay inflation and a requested increase of $166,432 for communications support.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$11,900**	**$19,000**	**$22,870**	**$3,870**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes an increase of $475 in non-pay inflation and a requested increase of $3,395 for communications support.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$196,264**	**$204,000**	**$245,553**	**$41,553**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $5,100 in non-pay inflation and a requested increase of $36,453 for communications support.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$480,000**	**$525,000**	**$631,320**	**$106,320**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $12,600 in non-pay inflation and a requested increase of $93,720 for communications support.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$31,877**	**$37,000**	**$37,925**	**$925**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes an increase of $925 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$20,932**	**$30,100**	**$30,853**	**$752**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $752 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Office of Public Affairs
Funding Schedule

Office of Public Affairs		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$1,347,792	$1,423,000	$1,465,690	$42,690
11.3	Other than perm	1,924,577	2,020,000	$2,080,600	60,600
11.5	Other per comp	83,370	86,000	$88,580	2,580
12.1	Benefits	814,788	856,000	$881,680	25,680
21.0	Travel	194,716	284,000	289,680	5,680
24.0	Printing	8,657	13,000	13,260	260
25.1	Advisory & Assistance Services	1,752,524	1,900,000	309,000	(1,591,000)
25.2	Other Services	803,224	703,000	717,060	14,060
25.3	Purchase from Govt. Accts.	877,316	800,000	816,000	16,000
26.0	Supplies & materials	74,063	81,800	83,206	1,406
31.0	Equipment	58,922	62,200	63,244	1,044
	Total, Public Affairs	**$7,939,949**	**$8,229,000**	**$6,808,000**	**($1,421,000)**
Full Time Equivalents		35	43	43	---

PPA Mission Statement

The Assistant Secretary for Public Affairs oversees all external and internal communications for Homeland Security. On a daily basis, Public Affairs responds to national media inquiries, maintains and updates the department's web site, and coordinates speaking events for department officials across the country. The Office of Public Affairs also develops and manages various public education programs. The Office of Public Liaison, within Public Affairs, fosters strategic communication with the department's external stakeholders. The department's organizational identity, including the Homeland Security seal and wordmark, was designed and implemented by the Office of Public Affairs. Public Affairs directs the department's Incident Communications program that guides overall federal incident communication activity and coordinates with state, local and international partners to ensure accurate and timely information to the public during a crisis.

FY 2006 base funding will be used to continue ongoing FY 2005 OPA activities. OPA will continue to aggressively communicate the department's operational and policy successes to the American public, accomplished through such efforts as creating an Office of Public Liaison to reach various communities, as well as an Office of Speechwriting established to serve the Secretary and Deputy Secretary and ensure that all remarks echo and reinforce homeland security policies and issues.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$4,170,527**	**$4,385,000**	**$4,516,550**	**$131,550**

Salaries and Benefits include costs for 43 FTEs. The FY 2007 request includes an increase of $131,550 for the proposed January 2007 increase in personnel compensation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$194,716**	**$284,000**	**$289,680**	**$5,680**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $5,680 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$8,657**	**$13,000**	**$13,260**	**$260**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes increases of $260 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$1,752,524**	**$1,900,000**	**$309,000**	**($1,591,000)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $38,000 in non-pay inflation and a decrease of $1,629,000 to transfer the Ready Campaign to the Preparedness Directorate.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$803,224**	**$703,000**	**$717,060**	**$14,060**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $14,060 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$877,316**	**$800,000**	**$816,000**	**$16,000**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $16,000 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$74,063**	**$81,800**	**$83,206**	**$1,406**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $1,406 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$58,922**	**$62,200**	**$63,244**	**$1,044**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $1,044 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Office of Legislative and Government Affairs
Funding Schedule

Office of Legislative and Government Affairs		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$1,264,616	$2,307,000	$2,390,045	$83,045
11.3	Other than perm	1,098,264	1,915,000	$1,982,025	67,025
11.5	Other per comp	13,661	65,000	$67,275	2,275
12.1	Benefits	601,573	1,081,000	$1,118,835	37,835
21.0	Travel	115,398	148,000	152,440	4,440
24.0	Printing	1,535	5,000	5,150	150
25.1	Advisory & Assistance Services	281,825	175,000	180,250	5,250
25.2	Other Services	18,455	18,000	18,540	540
25.3	Purchase from Govt. Accts.	570,750	473,000	487,190	14,190
26.0	Supplies & materials	85,175	55,900	57,577	1,677
31.0	Equipment	18,000	19,100	19,673	573
	Total, Legislative & Government Affairs	**$4,069,252**	**$6,262,000**	**$6,479,000**	**$217,000**
Full Time Equivalents		33	51	51	---

PPA Mission Statement

The Office of Legislative Affairs is responsible for the development and advancement of the Department's legislative agenda. This includes the establishment and maintenance of constructive congressional relations, the development of Departmental protocols for interaction with Congress and contributing to the formulation of and communication of the Department's strategic message.

Specifically, OLA coordinates and develops material for congressional hearings to include creating briefing books and editing written testimony. OLA assists with witness preparation of oral testimony, including coordinating and scheduling policy and subject-focused pre-briefing prior to a hearing date. They also coordinate and manage legislative briefings in advance of a hearing. The briefings provide the policy landscape, possible questions and answers, information on other witnesses, and other last minute insights. Additionally, OLA staff coordinates and tracks deliverables which result from hearings, including questions for the record. Further, OLA is responsible for all congressional mail sent to the DHS. This involves recording and tracking correspondence, assigning due dates, ensuring letters are answered in a timely manner and proofing and editing all correspondence for the Assistant Secretary's signature.

OLA interacts with each directorate to monitor and manage the volume of correspondence to facilitate and expedite responses on high profile topics when needed. The Department of Homeland Security has an Enterprise Correspondence Tracking (ECT) System in place to assist with providing a consistent and timely response to these requests for information. This computer-based system will streamline the correspondence process and gain insight into topics where consistent answers are critical. OLA will be heavily involved in this initiative to better track and respond to requests for information. Funding also supports OLA's preparation of departmental witnesses to appear before Congressional Hearings. With over 80 Congressional committees and subcommittees claiming jurisdiction over some portion of the DHS, the volume of Congressional hearings has been extremely high since the creation of the DHS. Numerous positions in the DHS also require Senate confirmation, which includes additional paperwork, pre- and post-hearings questions, staff level interviews, and a hearing before at least one Committee of jurisdiction.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$2,978,114**	**$5,368,000**	**$5,558,180**	**$190,180**

Salaries and Benefits include costs for 51 FTEs. The FY 2007 request includes an increase of $190,180 for the proposed January 2007 increase in personnel compensation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$115,398**	**$148,000**	**$152,440**	**$4,440**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $4,440 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$1,535**	**$5,000**	**$5,150**	**$150**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes increases of $150 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$281,825**	**$175,000**	**$180,250**	**$5,250**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $5,250 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$18,455**	**$18,000**	**$18,540**	**$540**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $540 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$570,750**	**$473,000**	**$487,190**	**$14,190**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $14,190 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$85,175**	**$55,900**	**$57,577**	**$1,677**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $1,677 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$18,000**	**$19,100**	**$19,673**	**$573**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $573 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Office of the General Counsel
Funding Schedule

Office of the General Counsel		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$6,330,833	$7,171,000	$9,272,619	$2,101,619
11.3	Other than perm	578,036	732,000	$945,147	213,147
11.5	Other per comp	100,344	127,000	$164,140	37,140
12.1	Benefits	1,678,136	1,803,000	$2,335,947	532,947
21.0	Travel	79,213	100,195	101,999	1,804
24.0	Printing	14,797	15,634	15,931	297
25.2	Other Services	347,249	226,000	230,520	4,520
25.3	Purchase from Govt. Accts.	1,330,214	846,888	863,770	16,882
26.0	Supplies & materials	131,139	99,125	101,108	1,983
31.0	Equipment	69,035	33,158	33,821	663
	Total, General Counsel	**$10,658,996**	**$11,154,000**	**$14,065,000**	**$2,911,000**
Full Time Equivalents		66	68	79	11

PPA Mission Statement

OGC provides legal counsel for all the DHS offices (except those specifically excluded by regulation or directive), determines the Department's position in order to provide effective legal services dealing with claims, with protests, with litigation, and with alternative dispute resolution, and represents the Department in all legal forums.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$8,687,349**	**$9,833,000**	**$12,717,852**	**$2,884,852**

Salaries and Benefits include costs for 79 FTEs. The FY 2007 request includes an increase of $272,852 for the proposed January 2007 increase in personnel compensation and a requested increase of $2,612,000 for 11 additional FTE's.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$79,213**	**$100,195**	**$101,999**	**$1,804**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $1,804 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$14,797**	**$15,634**	**$15,931**	**$297**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes increases of $297 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$347,249**	**$226,000**	**$230,520**	**$4,520**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $4,520 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$1,330,214**	**$846,888**	**$863,770**	**$16,882**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $16,882 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$131,139**	**$99,125**	**$101,108**	**$1,983**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $1,983 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$69,035**	**$33,158**	**$33,821**	**$663**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $663 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Office of Civil Rights and Civil Liberties
Funding Schedule

Office of Civil Rights and Civil Liberties		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$2,041,304	$3,636,000	$4,546,900	$910,900
11.3	Other than perm	79,272	98,000	$100,450	2,450
11.5	Other per comp	33,209	45,000	$46,125	1,125
12.1	Benefits	437,637	808,000	$1,033,200	225,200
21.0	Travel	78,570	159,000	161,544	2,544
23.1	GSA rent	54,191	78,000	79,248	1,248
24.0	Printing	6,297	27,000	27,432	432
25.1	Advisory & Assistance Services	6,969,392	4,939,000	4,000,842	(938,158)
25.2	Other Services	1,179,329	1,180,000	1,198,859	18,859
25.3	Purchase from Govt. Accts.	1,543,074	1,600,000	1,625,600	25,600
26.0	Supplies & materials	113,027	196,000	199,136	3,136
31.0	Equipment	40,300	104,000	105,664	1,664
	Total, Civil Rights & Civil Liberties	**$12,575,602**	**$12,870,000**	**$13,125,000**	**$255,000**
Full Time Equivalents		22	34	39	5

PPA Mission Statement

The mission of the Office of Civil Rights and Civil Liberties is to protect civil rights and civil liberties, to support the DHS by providing policy advice on the full range of civil rights and civil liberties issues, and to serve as an information and communication channel with the public regarding all aspects of these issues. Section 705 of the Homeland Security Act provides that the Officer for Civil Rights and Civil Liberties shall:

Review and assess information alleging abuses of civil rights, civil liberties, and racial and ethnic profiling by employees and officials of the Department; and make public through the Internet, radio, television, or newspaper advertisements information on the responsibility and functions of, and how to contact, the Officer.

Submit to the President of the Senate, the Speaker of the House of Representatives, and the appropriate committees and subcommittees of Congress through the Secretary on an annual basis a report on the implementation of this section, including the use of funds appropriated to carry out this section, and detailing any allegations of abuses described under subsection (a)(1) and any actions taken by the Department in response to such allegations.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$2,591,422**	**$4,587,000**	**$5,726,675**	**$1,139,675**

Salaries and Benefits include costs for 39 FTEs. The FY 2007 request includes an increase of $139,675 for the proposed January 2007 increase in personnel compensation and a shift of $1,000,000 from Advisory and Assistance Services to annualize the 10 additional FTE appropriated in FY 2006 and to fund first year costs of the 5 FTE requested in FY 2007. Civil Rights and Civil Liberties did not request additional funds to cover the cost of the additional 15 FTE.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$78,570**	**$159,000**	**$161,544**	**$2,544**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $2,544 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$54,191**	**$78,000**	**$79,248**	**$1,248**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $1,248 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$6,297**	**$27,000**	**$27,432**	**$432**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes increases of $432 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$6,969,392**	**$4,939,000**	**$4,000,842**	**($938,158)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $61,842 in non-pay inflation and a shift of $1,000,000 to Salaries and Benefits to annualize the 10 additional FTE appropriated in FY 2006 and to fund first year costs of the 5 FTE requested in FY 2007.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,179,329**	**$1,180,000**	**$1,198,859**	**$18,859**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $18,859 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$1,543,074**	**$1,600,000**	**$1,625,600**	**$25,600**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $25,600 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$113,027**	**$196,000**	**$199,136**	**$3,136**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $3,136 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$40,300**	**$104,000**	**$105,664**	**$1,664**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $1,664 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Citizenship and Immigration Ombudsman
Funding Schedule

Citizenship And Immigration Ombudsman		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$971,780	$1,831,000	$3,010,629	$1,179,629
11.3	Other than perm	94,512	169,000	$277,879	108,879
11.5	Other per comp	1,338	31,000	$50,972	19,972
12.1	Benefits	286,850	514,000	$845,147	331,147
21.0	Travel	53,436	141,000	229,582	88,582
24.0	Printing	35,259	39,200	63,837	24,637
25.1	Advisory & Assistance Services	474,650	495,000	805,981	310,981
25.2	Other Services	23,040	23,000	37,593	14,593
25.3	Purchase from Govt. Accts.	337,823	284,000	462,421	178,421
26.0	Supplies & materials	147,863	71,800	116,908	45,108
31.0	Equipment	7,693	16,000	26,052	10,052
	Total, CIS Ombudsman	**$2,434,244**	**$3,615,000**	**$5,927,000**	**$2,312,000**
Full Time Equivalents		22	24	24	---

PPA Mission Statement

The mission of the Citizenship and Immigration Services (CIS) Ombudsman is to assist individuals and employers in resolving problems with United States Citizenship and Immigration Services (USCIS). Section 452 if the Homeland Security Act of 2002 requires that the Ombudsman assist individuals and employers in resolving problems with the Bureau of Citizenship and Immigration Services (CIS), identify areas in which individuals and employers have problems in dealing with CIS, and to the extend possible, propose changes in the administrative practices of the CIS to mitigate problems.

The Ombudsman's goals include: (1) The reduction of backlogs for immigration benefits, as these backlogs are both the source of numerous opportunities for fraud and resulting threats to national security, as well as a frustration to the immigration customer. (2) The enhancement of customer services to promote the flow of commerce, increase economic activity and promote family unity, while reducing complaints. (3) The streamlining of the immigration process to improve efficiencies, so that CIS resources can be effectively utilized.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,354,480**	**$2,545,000**	**$4,184,627**	**$1,639,627**

Salaries and Benefits include costs for 24 FTEs. The FY 2007 request includes an increase of $68,715 for the proposed January 2007 increase in personnel compensation and a base adjustment of $1,570,912 to fully annualize salary and

benefits costs associated with 24 FTE appropriated in fiscal year 2005.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$53,436**	**$141,000**	**$229,582**	**$88,582**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $2,397 in non-pay inflation and a base adjustment of $86,185 to fully annualize non-personnel costs associated with 24 FTE appropriated in fiscal year 2005.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$35,259**	**$39,200**	**$63,837**	**$24,637**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes increases of $676 in non-pay inflation and a base adjustment of $23,961 to fully annualize non-personnel costs associated with 24 FTE appropriated in fiscal year 2005.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$474,650**	**$495,000**	**$805,981**	**$310,981**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $8,415 in non-pay inflation and a base adjustment of $302,566 to fully annualize non-personnel costs associated with 24 FTE appropriated in fiscal year 2005.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$23,040**	**$23,000**	**$37,593**	**$14,593**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $477 in non-pay inflation and a base adjustment of $14,116 to fully annualize non-personnel costs associated with 24 FTE appropriated in fiscal year 2005.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$337,823**	**$284,000**	**$462,421**	**$178,421**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $4,828 in non-pay inflation and a base adjustment of $173,593 to fully annualize non-personnel costs associated with 24 FTE appropriated in fiscal year 2005.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$147,863**	**$71,800**	**$116,908**	**$45,108**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $1,220 in non-pay inflation and a base adjustment of $43,887 to fully annualize non-personnel costs associated with 24 FTE appropriated in fiscal year 2005.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$7,693**	**$16,000**	**$26,052**	**$10,052**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $272 in non-pay inflation and a base adjustment of $9,780 to fully annualize non-personnel costs associated with 24 FTE appropriated in fiscal year 2005.

Department of Homeland Security
Office of the Secretary and Executive Management
Privacy Officer
Funding Schedule

Privacy Officer		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$819,851	$1,355,000	$1,395,650	$40,650
11.3	Other than perm	27,151	57,000	$58,710	1,710
11.5	Other per comp	22,071	35,000	$36,050	1,050
12.1	Benefits	222,697	408,000	$420,240	12,240
21.0	Travel	122,289	154,000	156,618	2,618
22.0	Transportation of things	13,007	22,000	22,374	374
23.1	GSA rent	33,243	30,500	31,019	518
24.0	Printing	22,072	26,000	26,442	442
25.1	Advisory & Assistance Services	11,649	22,500	22,883	382
25.2	Other Services	2,202,518	1,870,000	1,901,946	31,946
25.3	Purchase from Govt. Accts.	217,307	243,000	247,131	4,131
26.0	Supplies & materials	63,786	64,000	65,088	1,088
31.0	Equipment	49,881	50,000	50,850	850
	Total, Privacy Officer	**$3,827,522**	**$4,337,000**	**$4,435,000**	**$98,000**
Full Time Equivalents		11	16	16	—

PPA Mission Statement

The Department of Homeland Security's Privacy Office protects the collection, use, and disclosure of personal and departmental information. The Privacy Office ensures that appropriate access to information is consistent with the vision, mission, and core values of the DHS, and implements the policies of the Department to defend and to protect the individual rights, liberties, and information interests of our citizens.

Through internal educational outreach and the establishment of internal clearance procedures and milestones for program development, the Privacy Office is helping the DHS components to consider privacy whenever developing new programs or revising existing ones. The Privacy Office is evaluating the use of new technologies to ensure that privacy protections are given primary consideration in the development and implementation of these new systems. In this process, the DHS professionals have become educated about the need to consider--and the framework for considering--the privacy impact of their technology decisions.

The Chief Privacy Officer and the staff review Privacy Act systems notices before they are sent forward and ensure that they collect only those records that are necessary to support the DHS mission. The Privacy Office also guides the DHS agencies in developing appropriate privacy policies for their programs and serves as a resource for any questions that may arise concerning privacy, information collection or disclosure. The Privacy Office of course works closely with various Department policy teams, the Office of the General Counsel, and the Chief Information Officers to ensure that the mission of the Privacy Officer

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,091,770**	**$1,855,000**	**$1,910,650**	**$55,650**

Salaries and Benefits include costs for 16 FTEs. The FY 2007 request includes an increase of $55,650 for the proposed January 2007 increase in personnel compensation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$122,289**	**$154,000**	**$156,618**	**$2,618**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $2,618 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$13,007**	**$22,000**	**$22,374**	**$374**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $374 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$33,243**	**$30,500**	**$31,019**	**$518**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $518 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$22,072**	**$26,000**	**$26,442**	**$442**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes increases of $442 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$11,649**	**$22,500**	**$22,883**	**$382**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes increases of $382 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$2,202,518**	**$1,870,000**	**$1,901,946**	**$31,946**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $31,946 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$217,307**	**$243,000**	**$247,131**	**$4,131**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes increases of $4,131 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$63,786**	**$64,000**	**$65,088**	**$1,088**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $1,088 in non-pay inflation.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$49,881**	**$50,000**	**$50,850**	**$850**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $850 in non-pay inflation.

Department of Homeland Security
Office of the Secretary and Executive Management
Office of Counternarcotics Enforcement
Funding Schedule

Office of Counternarcotics Enforcement		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$589,509	$789,000	$1,087,837	$298,837
11.3	Other than perm	94,674	178,000	$245,418	67,418
11.5	Other per comp	24,220	31,000	$42,741	11,741
12.1	Benefits	137,771	236,000	$325,386	89,386
21.0	Travel	28,740	33,000	63,955	30,955
25.2	Other Services	13,840	534,000	1,035,065	501,065
26.0	Supplies & materials	15,966	23,000	44,619	21,619
31.0	Equipment	33,251	17,000	32,979	15,979
	Total, Counternarcotics Enforcement	**$937,971**	**$1,841,000**	**$2,878,000**	**$1,037,000**
Full Time Equivalents		10	11	13	2

PPA Mission Statement

Oversee the Department of Homeland Security's efforts to secure the borders against the flow of illegal drugs and to protect the U.S. against drug-related criminal enterprises. The vision of the Office of Counternarcotics Enforcement is a homeland and its citizens free from illicit drugs and from the threats posed by drug-related criminal enterprises.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$846,174**	**$1,234,000**	**$1,701,382**	**$467,382**

Salaries and Benefits include costs for 13 FTEs. The FY 2007 request includes an increase of $28,382 for the proposed January 2007 increase in personnel compensation and a requested increase of $439,000 for 11 additional FTE's.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$28,740**	**$33,000**	**$63,955**	**$30,955**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $462 in non-pay inflation and a requested increase of $30,493 to support increased travel needs of the office.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$13,840**	**$534,000**	**$1,035,065**	**$501,065**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request includes increases of $7,556 in non-pay inflation and a requested increase of $493,509 to support increased contract needs of the office.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$15,966**	**$23,000**	**$44,619**	**$21,619**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. The FY 2007 request includes increases of $365 in non-pay inflation and a requested increase of $21,274 to support increased supply needs of the office.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$33,251**	**$17,000**	**$32,979**	**$15,979**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $255 in non-pay inflation and a requested increase of $15,724 to support increased equipment needs of the office.

I. Schedule of Working Capital Fund

Department of Homeland Security
Office of the Secretary and Executive Management

FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Immediate Office of the Secretary	$357,194	$187,788	$184,871	(2,917)
Immediate Office of the Deputy Secretary	69,086	58,226	55,371	(2,855)
Chief of Staff	261,778	115,993	109,388	(6,605)
Office of Policy	408,016	2,274,364	2,254,700	(19,664)
Executive Secretary	196,227	302,738	283,580	(19,158)
Office of Public Affairs	499,678	545,435	536,002	(9,433)
Office of Legislative & Intergovernmental Affairs	435,839	534,508	508,136	(26,372)
Office of the General Counsel	884,855	827,978	795,040	(32,938)
Office of Civil Rights and Civil Liberties	966,731	1,759,577	1,768,021	8,444
Citizenship and Immigration Ombudsman	238,759	360,172	347,717	(12,455)
Privacy Officer	244,036	529,248	540,272	11,024
Office of Counternarcotics Enforcement	130,889	106,327	100,272	(6,055)
Total Working Capital Fund	**$4,693,088**	**$7,602,354**	**$7,483,370**	**($118,984)**

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Department of Homeland Security

Departmental Management and Operations

Office of the Secretary and Executive Management

Fiscal Year 2007
Strategic Context
Congressional Justification

25756A

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

Office of the Secretary and Executive Management

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A. Mission and Description of the Office of the Secretary and Executive Management

The Department of Homeland Security (DHS) Office of the Secretary and Executive Management (OSEM) supports the Department and all of its components to prevent and deter terrorist attacks, protect against and respond to threats and hazards to our nation, ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free-flow of commerce. OSEM establishes and implements policy, obtains resources, and provides oversight to all entities within the Department to meet these missions. It is the responsibility of the OSEM to deliver quality customer support services while eliminating redundancies and reducing support costs. The Department continues to work toward integration and consolidation of its resources and operations to create a seamless organization that shares services, information, and best practices across previously stove-piped organizations.

B. Major Activities and Key Strategic Issues

OSEM provides resources for 12 separate offices that individually report to the Secretary. These offices include the Immediate Office of the Secretary, the Office of the Deputy Secretary, the Office of the Chief of Staff (including the Office of Counternarcotics Enforcement), the Office of Policy, Planning and International Affairs, the Office of the Executive Secretariat, the Office of Public Affairs, the Office of Legislative and Intergovernmental Affairs, the Office of General Counsel, the Office of Civil Rights and Civil Liberties, the Office of the Citizenship and Immigration Ombudsman, and the Privacy Office.

Key Strategic Issues

DHS Second Stage Review
Secretary Chertoff initiated a comprehensive Second Stage Review of the Department's organization, operations and policies to ensure that every element of the Department is mission-focused and best organized to meet potential threats to our nation. This review was conducted with several core principles in mind:

- DHS must base its work on priorities that are driven by risk.
- The Department must drive improvement with a sense of urgency.
- Our enemy constantly changes and adapts, so we as a Department must be nimble and decisive.
- DHS must be an effective steward of public resources.
- DHS work must be guided by the understanding that effective security is built upon a network of systems that span all levels of government and the private sector.

On July 13, 2005 DHS announced a major reorganization that reflects the findings of the Second Stage Review and the OSEM has led and will continue to lead the drive to implement the findings. This implementation is a key strategic issue in FY 2006 and will continue to be a prominent strategic issue in FY 2007.

Office of Policy
OSEM created the Office of Policy in FY 2006. The Office of Policy will be the primary coordinator of Department-wide policies, programs, and planning which will promote consistency and integration of missions throughout the Department. It provides the Department with a central office to develop and communicate policies across multiple components and it strengthens the

Department's ability to maintain policy and operational readiness needed to protect the homeland. It also provides the foundation and direction for Department-wide strategic planning and budget priorities. A central DHS policy office that bridges multiple headquarters' components and operating agencies will improve communication among DHS entities, eliminate duplication of effort, and translate policies into timely action. It will also create a single point of contact for internal and external stakeholders that will allow for streamlined policy management across the Department.

C. Resources Requested and Performance Impact

The DHS OSEM is requesting a total of 475 positions, 451 FTE, and $97,508,000 for FY 2007, a net increase of 59 positions, 35 FTE, and $18,893,000 over the FY 2006 revised enacted level. In FY 2006 OSEM received a revised enacted appropriation of 416 positions, 416 FTE, and $78,615,000. In addition, OSEM received $47,283,000 from the pandemic flu supplemental in the DOD Appropriations Bill P.L. 109-148. Non-recurring the $47,283,000 supplemental in FY 2007 results in a decrease of $28,390,000 in total changes between FY 2006 and FY 2007.

FY 2005 Accomplishments: Secretary Chertoff initiated and the Department completed a comprehensive Second Stage Review of the Department's organization, operations and policies to ensure that every element of the Department is mission-focused and best organized to meet potential threats to our nation.

FY 2006 Planned Accomplishments: OSEM created the Office of Policy in FY 2006. OSEM plans to have the Office of Policy execute coordination of Department-wide policies, programs, and planning which will promote consistency and integration of missions throughout the Department. Additionally, OSEM will lead implementation of the findings of the Second Stage Review.

FY 2007 Projected Accomplishments: OSEM will continue to provide critical Department-wide leadership, direction, and management on a wide range of homeland security related issues, including coordination with other Federal partners, state and local governments, industry, academia, and non-profit organizations.

Immediate Office of the Secretary, Immediate Office of the Deputy Secretary and Chief of Staff
Office of the Secretary requests an increase of $694,000, the Office of the Deputy Secretary requests an increase of $500,000, and the Chief of Staff requests an increase of $600,000 to its non-personnel budget to support the travel needs of the Department's Senior Leaders.

This request will enhance performance by allowing DHS Leadership to continually improve our way of doing business by enhancing their ability to conduct official duties and substantially improve public visibility and decrease the likelihood of threats to their personal safety. This increase will impact the Strategic Goal of Organizational Excellence by making official transportation available to those who lead the Department.

Secure Border Initiative (SBI)
Office of Policy requests an increase 10 positions and $4 million to support the DHS components participating in the Secure Border Initiative (SBI).

The SBI needs subject-matter and legal experts to implement an integrated systems approach to border security and to provide analysis of matters related to detention and removal, visas, worksite

enforcement, budget and financial matters, Congressional inquiries, technology implementation, and interior enforcement issues. A full compliment of professional analysts will enable the Secretary and DHS officials to receive timely and accurate information regarding complex subject matters of priority to the President and the Secretary.

This request will enhance performance by allowing the Office of Policy to support the DHS Secure Border Initiative and achieve the Strategic Goal of Organizational Excellence.

Weapons of Mass Destruction, Preparedness and Disaster Response Initiative
The Policy Directorate will use $1 million to hire professional staff with expertise in weapons of mass destruction (WMD), immigration reform, preparedness and disaster response. These analysts will effectively guide and coordinate the policies, planning, and international issues that meet the strategic goals and priorities of the Department. Specifically, policy staff with expertise in biological threats, nuclear weapons threats, intelligence policy, preparedness, and/or immigration policy is critical in developing comprehensive border security. The first year cost for the 4 positions is $488,000 and $512,000 will be used to support the new staff.

This request will enhance performance by allowing the Office of Policy to support the Department's initiatives and to continually improve our way of doing business by enhancing the expertise needed to develop Departmental policy enhance the ability for DHS to respond to disasters and threats of mass destruction.

Office of Policy Staffing Initiative
Presently the Committee on Foreign Owned Investments (CFIUS) does not have permanent staff. This initiative request $1.053 million in funding to create a dedicated office to assess the vulnerability and risk of specific CFIUS cases and allows the committee to become fully operational. Creating this new office will require expert assistance and therefore a request for contract support is included. Creating a permanent staff will allow CFIUS to increase compliance monitoring tasks to improve its early warning program and perform vulnerability baseline assessments. The funding needed to support the first year costs for 5 positions is $610,000 and additional contract support needed to setup the permanent staff is $443,000.

The primary mission of the Office of International Affairs (OIA) is to promote DHS' goals and objectives, while coordinating the activities of the DHS activities outside the United States. International Affairs requests $1.669 million to create an international attaché program, a Director of European and Multicultural Affairs position and an international training and technical assistance program. The Attachés will serve Mexico and Canada as direct representatives of the Secretary on-site to promote the vision and objectives of DHS. This initiative contributes to building the staffing structure needed to effectively execute the DHS international mission which includes the OIA's statutory as well as expected responsibilities. The funding needed to support the first year costs of 4 positions is $908,000. In addition to the position funding, OIA is requesting an increase of $824,000 in support to setup the attaché program, to initiate the international training program and to provide second year costs for the European Union position funded in the Office of the Secretary and Executive Management FY 2006 appropriation.

The mission of the Homeland Security Advisory Counsel (HSAC) is critical to each Homeland Security Presidential Directive (HSPD). Our Council and Committees serve as the external stakeholder group that recommends policy toward HSPD implementation efforts. This body serves the Department and the Secretary by providing critical recommendations to the development of

policy related to - and implementation of - various HSPDs. The members are critical in providing support for Presidential Directives amongst external stakeholders. HSAC needs $221,000 to cover first year cost for 2 positions.

This request will enhance the performance of the Office of Policy by providing the personnel and expertise needed to continually improve the way the Office of Policy is doing business. By increasing resources needed to expand offices which play a critical role in Departmental policy development and impact the Strategic Goal of Organizational Excellence.

Office of General Counsel Staffing Initiative

The Office of the General Counsel (OGC) requests an increase of $2.6 million in order to better meet the legal advisory needs of the Department. The requested 17 positions and 11 FTE will help alleviate the current understaffing in the General Counsel's Office.

- 2 attorneys to draft legal opinions of the Department and provide written opinions and oral advice in response to requests from the Secretary and other senior executives of the Department as well as other agencies and components within the Department.
- 4 attorneys to provide legal support for issues arising from or relating to MaxHR and for providing legal support on all other DHS labor and employment law policy and litigation.
- 2 attorneys to assist the Department in meeting its statutory reporting obligations and provide timely responses to Congressional requests.
- 4 attorneys to establish appropriate legal support to Office of Procurement Operations and its approximately $2 billion per year in contracts
- 1 attorney to provide more tailored and widely available ethics training for Department personnel through the development of ethics training materials and courses for use throughout DHS.
- 2 attorneys to provide timely advice and counsel on all areas of intellectual property (science and technology) affecting the development and use of systems being used or supported by DHS and the transfer of federally owned technology.
- 1 attorney to support the National Communications Division, a part of Information Analysis Directorate
- 1 attorney to further the accomplishment of the Department's mission by improving the quality and content of catastrophic response planning decisions and help ensure the effectiveness of emergency response providers to terrorist attacks, major disasters, and other emergencies.

This OGC request will enhance performance and improve our way of doing business by alleviating the current understaffing in critical areas that impact the Strategic Goal of Organizational Excellence.

Executive Secretary Office Expansion

This initiative facilitates achievement of the Department's goals by establishing protocol and procedures to be implemented by all offices. The increase in funding will be used to cover the first year cost of four positions totaling $488,000 as well as an increase of $300,000 to meet training, equipment and contract needs to support the executive correspondence process. Appropriate funding will allow the Office of the Executive Secretary to be fully staffed with the equipment and training necessary to have highly skilled and professional staff members able to fully support the Office of the Secretary.

This requested increase will directly impact the performance of the office and directly support the strategic goal of continually improving the way of doing business by providing the level of positions and funding needed to adequately support the communications needs of the Secretary and executive management of the Department.

Office of Counter Narcotics Enforcement Program Expansion
The OCNE need additional staff expertise to provide the Secretary with the information he needs to make national level policy decisions on how the US will effectively counter the international drug threat. This increase will provide funding to fully staff the office, meet travel requirements, and increase communications capabilities. OCNE will use $439,000 to fund 4 positions and the remaining $561,000 to fund communications, and special IT services supporting OCNE and equipment.

This OCNE request will enhance performance and continually improve our way of doing business and impact the Strategic Goal of Organizational Excellence by increasing the Department's ability to counter the international drug threat.

D. How Component Name Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

Office of the Secretary and Executive Management: Provide comprehensive leadership, management, oversight, and support to improve the efficiency and effectiveness of the Department.

7.3 Continually improve our way of doing business.

E. Performance Based Budget Highlights by Program

The OSEM FYHSP performance goal, performance measure, budget, and FTE are:

Performance Goal: Provide comprehensive leadership, management, oversight, and support to improve the efficiency and effectiveness of the Department.					
Measure: Percent of the DHS strategic objectives with programs that meet their associated quarterly performance targets.	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	32%	44%	90%	95%
	Actual	32%	84.9%		
Program: Office of the Secretary and Executive Management	$ Thousands	$80,317	82,700	$125,898	$97,508
	FTE	359	319	416	451

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

Budget Activity	FY2005 Actual[1]		FY2006 Revised Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE*	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY Office of the Chief Financial Officer	319	82,700	416	125,898	451	97,508	35	($28,390)	35	14,247	0	($42,637)
Unobligated budget expiring												
Subtotal, Budget Authority (All Sources)	319	82,700	416	125,898	451	97,508	35	($28,390)	35	14,247	0	($42,637)
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	319	82,700	416	125,898	451	97,508	35	($28,390)	35	14,247	0	($42,637)

* Due to a late adjustment the FY 2007 FTE total in President's Budget Appendix is different than the FY 2007 FTE total requested.

1 Figures for FY 2005 do not include funding and FTE that transferred in to OCFO as part of the Secretary of Homeland Security's Second Stage Review.

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Department of Homeland Security

Departmental Management and Operations

Under Secretary for Management

Fiscal Year 2007
Congressional Justification

25756A

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BUDGET REQUEST AND SUPPORTING INFORMATION

UNDER SECRETARY FOR MANAGEMENT

I. Appropriation Overview

A. Mission Statement for Under Secretary of Management

The Management Directorate ensures delivery of effective and efficient business and management services throughout the Department, to enable the Department of Homeland Security to lead the unified national effort to secure America.

The DHS Management Directorate provides the business framework that enables the Department of Homeland Security to achieve its mission. It does so by providing policy, guidance, operational oversight and support, and innovate solutions for the management needs of the entire Department.

B. Budget Activities:

Immediate Office of Under Secretary of Management (OUSM)

The Immediate Office of the Under Secretary for Management's primary mission is to deliver quality administrative support services providing leadership and oversight for all departmental management functions which include information technology, budget and financial management, procurement and acquisition, human capital, and administrative services.

Business Transformation Office (BTO)

The Business Transformation Office (BTO) serves as the dedicated resource for providing guidance, evaluation, and facilitation for the functional integration of the Department's management process. The BTO provides program management standards to help the Under Secretary for Management (USM) track functional Lines of Business major initiatives and identify, monitor and report on the interdependencies between them. The BTO helps the USM in setting priorities and developing targeted goals to drive service improvement and integration across all functions. The BTO also evaluates the performance of USM functions by providing operational support services in a shared environment and managing the Tri-Bureau Shared Services Operations Board.

Office of the Administration (CAO)

Administrative Services includes all functional areas managed by the DHS Chief Administrative Services Officer (CAO) and OE Senior Administrative Services Officers. Administrative Services functional areas include asset management (logistics, real estate, personal property, aviation, transportation, fleet, marine vessels), mail screening and delivery, occupational safety and health,

environmental planning and management, historic preservation, energy management, records, directives, forms, library services, printing and graphics..

DHS Headquarters Project

To streamline departmental administrative functions and create a unified Department of Homeland Security, we will continue to find, design, renovate, improve, and secure a minimum number of DHS Headquarters facilities. Continued relocation of as much of the Department Headquarters as possible in collocated space will enable better communication and more efficient operations.

Office of Human Capital (CHCO)

The Office of Human Capital provides overall management and administration for the Department's human capital. This office establishes policy and procedures as well as provides oversight, guidance, and leadership for human resources functions within the Department of Homeland Security. CHCO is responsible for designing and implementing the new DHS human resources management system (called "Max^{HR}"), including the human resources strategy and technology components necessary for its successful deployment.

Office of Human Capital – Max^{HR}: The CHCO organization is responsible for creating, implementing, and operating DHS' new human resources system (Max^{HR}) and through it ensuring that organizational goals and individual work performance are linked, and that employees are compensated based on their contributions to agency performance.

Office of the Chief Procurement Officer:

The Office of the Chief Procurement Officer (OCPO) is responsible for the overall management, administration, and oversight of department-wide acquisitions, strategic sourcing, and competitive sourcing programs, including direct management and oversight of the Office of Procurement Operations. The office is responsible for developing DHS acquisition regulations and policies; strategic acquisition workforce planning to ensure accession, development, and retention of a professional workforce; and oversight and performance management of the DHS acquisition infrastructure. In addition to the acquisition policy development, this office is responsible for the developing DHS grant management regulations and policies; workforce planning to ensure accession, development, and retention of a professional workforce; and oversight and performance management of the DHS grant processing and grant management infrastructure.

Office of Security

The Office of Security is responsible for the security of all of the Department of Homeland Security's employees, facilities, information, and operations. The DHS Office of Security focuses on: coordinating and managing department–wide security functions at the Department level; developing new security initiatives, policies and procedures; and applying best security practices and policies at the component level to protect the full range of departmental activities. Additionally, the office investigates threats related to foreign intelligence, terrorism, or criminal activities within or directed against the DHS.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE*	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Immediate Office US/M	6	$980	6	$1,670	8	$2,012	2	342	2	$550	---	(208)
Business Transformation Office	5	805	12	1,861	7	2,017	(5)	156	2	550	(7)	(394)
Office of Administration /1	37	24,422	45	39,600	46	40,218	1	618	---	---	1	618
DHS Headquarters Project	---	66,948	---	25,810	---	8,206	---	(17,604)	---	8,206	---	(25,810)
Office of Human Capital	49	6,706	50	8,811	53	9,827	3	1,016	---	---	3	1,016
Office of Human Capital - MaxHR	---	34,997	12	29,700	27	71,449	15	41,749	15	41,749	---	---
Office of Procurement	46	7,142	46	8,930	71	16,895	25	7,965	25	7,800	---	165
Office of Security	---	---	94	50,765	105	58,514	11	7,749	11	6,800	---	949
Office of Immigration Statistics	30	4,273					---	---	---		---	---
							---	---			---	---
							---	---			---	---
							---	---			---	---
Subtotal, Enacted Appropriations and Budget Estimates	**173**	**$146,273**	**265**	**$167,147**	**317**	**$209,138**	**52**	**$41,991**	**55**	**$65,655**	**(3)**	**($23,664)**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**173**	**$146,273**	**265**	**$167,147**	**317**	**$209,138**	**52**	**$41,991**	**55**	**$65,655**	**(3)**	**($23,664)**

1/ The FY 2005 Emergency Supplemental Appropriation Act for Defense, the Global War on Terror, and the Tsumami Relief rescinded $500K from the Office of Immigration Statistics and $2.8M from the Under Secretary of Management (USM). As a result of the $2.8M rescission to USM, $2.8M in FY 2004 USM lapsed funding was transferred to a 2-year account (704/50111) in accordance with Section 504. Although $2.8M was rescinded from USM's Office of Administrative Services in FY 2005, it was able to use this 2-year account for FY 2005 obligations. Total FY 2005 obligations for the Office of Administrative Services amounted to $27,054,093, including obligations in 7050111 and 704/50111.

*The President's budget request reflects a total of 265 FTE in FY 2006 which is an increase of 11 FTE from the 254 FTE reflected in the President's Budget Appendix.

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III. Current Services Program Description by PPA

Department of Homeland Security
Under Secretary for Management
Program Performance Justification
(Dollars in thousands)

PPA: IMMEDIATE OFFICE, US/M

	Perm Pos	FTE	Amount
2005 Actual	**6**	**6**	**$1,434**
2006 Revised Enacted	**6**	**6**	**1,670**
2007 Adjustments-to-Base			-208
2007 Current Services	**6**	**6**	**1,462**
2007 Program Change	4	2	550
2007 Request	**10**	**8**	**2,012**
Total Change 2006-2007	4	2	342

Under Secretary for Management requests $2.012 million for this activity. This is an increase of $.342 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Immediate Office of the Under Secretary for Management's primary mission is to deliver quality administrative support services providing leadership and oversight for all departmental management functions which include information technology, budget and financial management, procurement and acquisition, human capital, and administrative services.

PPA: Business Transformation Office

	Perm Pos	FTE	Amount
2005 Actual	**5**	**5**	**$920**
2006 Revised Enacted	**12**	**12**	**1,861**
2007 Adjustments-to-Base	-7	-7	-394
2007 Current Services	**5**	**5**	**1,467**
2007 Program Change	4	2	550
2007 Request	**9**	**7**	**2,017**
Total Change 2006-2007	2	2	156

Under Secretary for Management requests $2.017 million for this activity. This is an increase of $.156 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Business Transformation Office serves as the Department's hub for designing, planning and supporting change across the DHS, as well as establishing appropriate standards and metrics. The BTO oversees the design, development, planning, and execution of functional integration initiatives impacting all core management functions. The BTO focuses on functional integration, including establishment of baseline servicing metrics and development of targeted goals for service improvement. It is responsible for directly supporting the transformational initiatives of the Department and ensuring the effective coordination of the enterprise-wide support systems initiatives of the Under Secretary for Management. The BTO ensures that standards are realized, stakeholders/customers are consulted, timelines are met, and resources are coordinated.

PPA: Office of Administration

	Perm Pos	FTE	Amount
2005 Actual	**37**	**37**	**$27,270**
2006 Revised Enacted	**45**	**45**	**39,600**
2007 Adjustments-to-Base	1	1	618
2007 Current Services	**46**	**46**	**40,218**
2007 Program Change	0	0	0
2007 Request	**46**	**46**	**40,218**
Total Change 2006-2007	1	1	618

Under Secretary for Management requests $40.218 million for this activity. This is an increase of $.618 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Administration is responsible for facilities, property, equipment and material resources; safety, health and environmental programs; records management, forms management, directives and printing for the Department as well as consolidating and optimizing the same; and the Executive Service Center to support the Office of the Secretary and Executive Offices. The Chief of Administration also organizes and implements the Department's Continuity of Operations Plan (COOP) program.

PPA: DHS Headquarters Project

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**65,081**
2006 Revised Enacted	**0**	**0**	**25,810**
2007 Adjustments-to-Base	0	0	-25,810
2007 Current Services	**0**	**0**	**0**
2007 Program Change	0	0	8,206
2007 Request	**0**	**0**	**8,206**

	Perm Pos	FTE	Amount
Total Change 2006-2007			-17,604

Under Secretary for Management requests $8.206 million for this activity. This is a decrease of $17.604 million from FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Nebraska Avenue Complex (NAC) is the headquarters facility for DHS, and presence at the Complex continues to expand as well as at other locations. Continued relocation and realignment of as much of the Department Headquarters as possible at the NAC will enable better communication and more efficient operations.

PPA: Office of Human Capital

	Perm Pos	FTE	Amount
2005 Actual	**49**	**49**	**7,200**
2006 Revised Enacted	**50**	**50**	**8,811**
2007 Adjustments-to-Base	3	3	1,016
2007 Current Services	**53**	**53**	**9,827**
2007 Program Change	0	0	0
2007 Request	**53**	**53**	**9,827**
Total Change 2006-2007	3	3	1,016

Under Secretary for Management requests $9.827 million for this activity. This is an increase of $1.016 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Human Capital provides overall management and administration for the Department's human capital. This office establishes policy and procedures as well as provides oversight, guidance, and leadership for human resources functions within the Department of Homeland Security. CHCO is responsible for designing and implementing the new DHS human resources management system, including the human resources strategy and technology components necessary for its successful deployment.

PPA: Office of Human Capital – MaxHR

	Perm Pos	FTE	Amount
2005 Actual	**0**	**0**	**$36,000**
2006 Revised Enacted	**12**	**12**	**29,700**
2007 Adjustments-to-Base	0	0	0

	Perm Pos	FTE	Amount
2007 Current Services	**12**	**12**	**29,700**
2007 Program Change	29	15	41,749
2007 Request	**41**	**27**	**71,449**
Total Change 2006-2007	29	15	41,749

Under Secretary for Management requests $71.449 million for this activity. This is an increase of $41.749 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

MAX^{HR} implementation continues with the design of the new market-based pay system, and initial creation of a compensation committee, along with final pay designs for further review and vetting. Supervisor and manager training have continued from FY 2005, as well as training for HR professionals. Non-bargaining unit employees from Headquarters, ICE, FLETC, FEMA, USCG, and all of U. S. Secret Service are in the process of converting to the new performance system, including linkage of organizational and individual performance expectations. Insofar as is legally permissible, the Homeland Security Labor Relations Board may be established, in accordance with legislative requirements, to enhance DHS workforce responsiveness while balancing collective bargaining obligations. In addition, training on the new performance system will commence for CBP and CIS.

PPA: Office of Procurement

	Perm Pos	FTE	Amount
2005 Actual	**46**	**46**	**$7,350**
2006 Revised Enacted	**46**	**46**	**8,930**
2007 Adjustments-to-Base			165
2007 Current Services	**46**	**46**	**9,095**
2007 Program Change	50	25	7,800
2007 Request	**96**	**71**	**16,895**
Total Change 2006-2007	50	25	7,965

Under Secretary for Management requests $16.895 million for this activity. This is an increase of $7.965 million over FY 2006.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Procurement is responsible for the overall management, administration, and oversight of department-wide acquisitions, strategic sourcing, grants management, and competitive sourcing programs, including direct management and oversight of the Office of Procurement Operations. The office is responsible for developing DHS acquisition regulations and policies; workforce planning; and oversight and performance management of the CPO infrastructure.

PPA: Office of Security

	Perm Pos	FTE	Amount
2005 Actual			
2006 Revised Enacted	**94**	**94**	**$50,765**
2007 Adjustments-to-Base			949
2007 Current Services	**94**	**94**	**51,714**
2007 Program Change	22	11	6,800
2007 Request	**116**	**105**	**58,514**
Total Change 2006-2007	22	11	7,749

Under Secretary for Management requests $58.514 million for this activity. This is an increase of $7.749 million over FY 2006. This program was not part of the US/M appropriation in FY 05.

CURRENT SERVICES PROGRAM DESCRIPTION:

The Office of Security is responsible for the security of all of the Department of Homeland Security's employees, facilities, information, and operations. The DHS Office of Security focuses on: coordinating and managing department–wide security functions at the Department level; developing new security initiatives, policies and procedures; and applying best security practices and policies at the component level to protect the full range of departmental activities. Additionally, the office investigates threats related to foreign intelligence, terrorism, or criminal activities within or directed against the DHS.

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
Under Secretary for Management
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: **DHS Headquarters Project**
Strategic Goal(s) & Objective(s): 7.3 Continually Improve Our Way of Doing Business
PPA: DHS Headquarters Project
Program Increase: Positions 0 FTE 0 Dollars $8,206

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	0
Program Increase							0	0	8,206
Total Request	**0**	**0**	**$65,081**	**0**	**0**	**$25,810**	**0**	**0**	**$8,206**

Description of Item

Planned projects for FY 2006

Description	Estimate
Security enhancements Includes final perimeter barriers, traffic control and other physical protective measures	$2,000,000

Campus-wide design and construction Architectural and engineering support	$5,206,000
Tenant improvements Modifications to wall, furniture layout, and necessary electrical and mechanical work to support occupancy	$1,000,000

Justification

As part of the effort to streamline departmental administrative functions and create a unified Department of Homeland Security, much work has gone into finding, designing, renovating, improving, enhancing security, and relocating to a minimum of locations. The Nebraska Avenue Complex has been chosen as the headquarters facility for DHS for the foreseeable future, and is augment with other support space. Locating as much of the Department Headquarters as possible in collocated space will provide for better communication and for greater ease of operations.

Requested resources will provide funding for continuation of the phased approach for basic tenant improvements in support of essential Headquarters stand-up projects not funded by the General Services Administration (GSA) for infrastructure. DHS has occupied much of the space at the NAC and other locations in close to as-is condition and as swing space. These funds are for the implementation of the housing plan for the HQ.

However, several contingencies related to occupancy activities were realized in since FY 2004, including asbestos abatement, electrical and mechanical upgrades, and information technology demands. These contingencies required re-scoping and reprioritization of activities, resulting in postponement and rescheduling of various project phases. In FY 2007, DHS expects to be able to execute the rescheduled project elements and phases.

Impact on Performance (Relationship of Increase to Strategic Goals)

This project initiative is important to the Department in that it will ensure that as many staff and functions the Secretary regularly interacts with will be collocated in as efficient a manner as possible given the physical constraints of existing facilities. By having as many functions that work together in close proximity, travel time between various locations would be reduced or eliminated. This will have an immediate affect on all HQ components, and increased efficiency will affect the entire Department.

Program Increase 2: **CHCO: MaxHR**

Strategic Goal(s) & Objective(s): 7.3 Continually Improve Our Way of Doing Business
PPA: Office of Human Capital -- MaxHR
Program Increase: Positions 29 FTE 15 Dollars $41,749

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							12	12	$29,700
Program Increase							29	15	41,749
Total Request	**0**	**0**	**$36,000**	**12**	**12**	**$29,7000**	**41**	**27**	**$71,449**

Description of Item

FY 2007 represents a major transition year for the DHS Human Capital organization. As provided in regulations published in the *Federal Register* on February 1, 2005, all aspects of the new DHS human resource system will be in some stage of operations by FY 2007. New performance management systems will be in effect for the vast majority of the DHS workforce, requiring a renewed emphasis on performance measurement and monitoring. The phased implementation of new pay-for-performance and market-sensitive systems will have also begun and with it new requirements for operations and maintenance of the new programs. Implementation of each of these new flexibilities will necessitate new human capital skill sets that are not currently funded or, in some cases, even in existence within today's DHS workforce. Specific activities to be supported by the requested increase include:

16 positions to administer the Department's new pay for performance compensation system;
1 position to support expanded learning management system requirements;
2 positions to ensure appropriate emphasis on MAX^{HR} performance measurement and evaluation;
as legally permissible, 6 positions to continue staffing the Labor Board in FY 2007;
2 positions to address DHS hiring process improvements; and
2 positions to support similar process improvements within the executive resources arena.

Justification

16 positions to administer the Department's new pay for performance compensation system. New functions will include monitoring pay administration, conducting new job-based design processes, managing occupational clusters, defining and administering qualification assessment processes, and administering a market-based compensation program. Funding is also requested to support organizational surveys for market comparison. The vast majority of these functions, such as the setting of qualifications standards, establishment of pay scales, research on locality pay, and development of classification standards are currently centrally managed by the Office of Personnel Management on the behalf of all government agencies. Under its new system, DHS will need the capacity to manage these new programs for all Departmental components. An additional position is also required to support

expanded learning management system requirements – a primary vehicle for reaching and training a diverse and demographically dispersed workforce.

An additional 2 positions are required to ensure appropriate emphasis on MAX^{HR} performance measurement and evaluation. Implementation of the MAX^{HR} system and associated technology improvements requires an on-going, robust evaluation program to ensure that intended goals are being achieved. With most MAX^{HR} program provisions slated for implementation by FY 2007, and with an established regulatory sunset of FY 2009 for any needed program changes, it is necessary for CHCO staff to conduct robust program evaluation activities during the FY 2007 timeframe.

Finally, insofar as is legally permissible, the Department expects to establish the Homeland Security Labor Relations Board during FY 2006 and further anticipates a need to continue the Board's hiring into FY 2007. Six additional positions are required for the Labor Board in FY 2007 as the Board continues to hire additional staff. As the majority of MAX^{HR} program provisions are intended to reach the broadest audience in FY 2007, it is reasonable to expect an expanded workload for the Labor Board that will be charged with the timely adjudication of labor/management matters.

In addition to new MAX^{HR}-related program needs, 2 positions are required to address DHS hiring process improvements. DHS managers have overwhelmingly indicated that their number one priority for human capital is to speed the hiring process. These positions will support enterprise-wide hiring process improvements, including greater optimization of technology to facilitate the process. Also, 2 positions are required to support similar process improvements within the executive resources arena.

Impact on Performance (Relationship of Increase to Strategic Goals)

These increases are tied to multiple organizational excellence objectives in the DHS Strategic Plan and the corresponding Human Capital Strategic Plan. Increased funding supports improved service delivery and quality enterprise-wide, which directly affects DHS' mission accomplishment. More specifically, these funds support a centralized program management philosophy, rather than a decentralized approach. Research and experience have shown that costs increase when multiple-components' attempt to implement their own Human Capital programs and systems. Through centralization, enterprise-wide costs are reduced, and deployment consistency is ensured across the Department.

Funding of this request will make additional employees available to develop classification, cluster management, and qualification assessment processes; develop market-based pay processes, and conduct organizational surveys and interventions. These functions have a direct impact on successful implementation, and the overall performance of Human Capital across DHS. In addition, these funds will support requirements associated with the DHS Strategic Plan, including functional integration, and various government-wide initiatives related to hiring, placement, right-sizing, and competitive sourcing, and MAX^{HR}-related implementation. In addition, the Secretary has established a Chief Learning Officer position within the Office of the Chief Human Capital Officer. This functional priority will address DHS cultural issues related to functional integration, and will support the establishment of a continuous learning environment. The incumbent will conduct needs analyses (particularly in the area of executive development), identify "best practice" learning delivery models, and identify other opportunities for DHS-wide training initiatives.

Program Increase 3: **CPO: WORKFORCE INCREASE**

Strategic Goal(s) & Objective(s): 7.3 Continually Improve Our Way of Doing Business
PPA: Office of Procurement
Program Increase: Positions 50 FTE 25 Dollars $7,800

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							46	46	$9,095
Program Increase							50	25	7,800
Total Request	**46**	**46**	**$7,350**	**46**	**46**	**$8,930**	**96**	**71**	**$16,895**

Description of Item

To fully implement customer-focused services with the highest degree of integrity in the DHS-wide Procurement Office.

Justification

Both the GAO and IG noted that resources assigned to this critical agency would enable the Office of the Chief Procurement Officer to successfully implement an effective and efficient organization.

Impact on Performance (Relationship of Increase to Strategic Goals)

The implementation of this increase would enable the Office of the Chief Procurement Officer to:

1. Establish customer-focused acquisition services with the highest degree of integrity in the Acquisition Program for DHS.
2. Establish customer-focused grants services with the highest degree of integrity in the Grants Program for DHS.
3. Support National Socio-Economic Programs.
4. Support the President's Management Agenda regarding Competitive Sourcing.
5. Realize significant savings and/or efficiencies through Strategic Sourcing opportunities.
6. Support the President's Management Agenda regarding e-Government initiatives.

Program Increase 4: **CSO: Security Services Expansion**

Strategic Goal(s) & Objective(s): 7.3 Continually Improve Our Way of Doing Business
PPA: Office of Security
Program Increase: Positions 22 FTE 11 Dollars $6,800

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							94	94	$51,714
Program Increase							22	11	6,800
Total Request	**0**	**0**		**94**	**94**	**$50,765**	**116**	**105**	**$58,514**

Description of Item
Increase of the number of federal employees within the Office of Security and the implementation of the Smart Card Initiative

Justification
The Office of Security (OS) has several positions that are inherently federal positions; these positions rest within Office of Security's Operations, Internal Security and Special Investigations Divisions, Special Security Program Divisions, Administration Security Divisions, Physical Security Division and Security Training and OPSEC Division. As the Office of Security matures as an organization the need for government employees that can represent OS is becoming more important.

Homeland Security Presidential Directive (HSPD-12) calls for a mandatory, government-wide standard for secure and reliable forms of identification issued by the federal government to its employees and to the employees of federal contractors. The Office of Security is responsible for the fielding and implementation of this initiative. The DHS Chief Information is responsible for the technical aspects of the program.

Impact on Performance (Relationship of Increase to Strategic Goals)
The Office of Security needs additional federal employees to perform inherent government functions that currently being performed by contractors. This will allow OS to adequately perform its mission of protecting personnel, information, facilities and operations. Additionally, this increase will allow DHS to be in compliance of HSPD 12 and will streamline the identification and credentialing process within the Department of Homeland Security.

Program Increase 5: **OUSM: Immediate Office of the Under Secretary**

Strategic Goal(s) & Objective(s): 7.3 Continually Improve Our Way of Doing Business
PPA: Immediate Office of the Under Secretary
Program Increase: Positions 4 FTE 2 Dollars $550

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							6	6	$1,462
Program Increase							4	2	550
Total Request	**6**	**6**	**1,434**	**6**	**6**	**$1,670**	**10**	**8**	**$2,012**

Description of Item
Increase of federal employees by 4 positions, 2 FTE.

Justification

The Immediate Office of the Under Secretary needs these 2 additional FTEs to ensure management remains consistent across the Directorate. The Senior Level employee will function as a management specialist with broad knowledge of mission support in the functional areas of the Management Directorate, and will have a staff assistant to support administrative needs and day to day operations.

Impact on Performance (Relationship of Increase to Strategic Goals)
The Immediate Office of the Under Secretary, using these additional resources, will be able to focus on the needs of the Directorate as well as the Department. These positions will enable the Directorate to identify new areas to explore, revise, and improve to enable quicker, faster, better responses to the needs of our customers.

Program Increase 6: **BTO: Business Transformation Office**

Strategic Goal(s) & Objective(s): 7.3 Continually Improve Our Way of Doing Business
PPA: Business Transformation Office
Program Increase: Positions 4 FTE 2 Dollars $550

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							5	5	$1,467
Program Increase							4	2	550
Total Request	**5**	**5**	**920**	**12**	**12**	**$1,861**	**9**	**7**	**$2,017**

Description of Item
Increase in the number of personnel by 4 positions and 2 FTE, and resources for advisory and assistance services, totaling $550,000.

Justification
As the Business Transformation Office matures as an organization and ramps up its activities in support of the Under Secretary's efforts to achieve better functional integration in and amongst management lines of business, additional senior-level and administrative staff will be required to assist Line of Business Chiefs in that endeavor, and additional resources for best practices surveys and other management studies will be required as well. The Office will serve as an internal consultant to the Under Secretary and to the Lines of Business Chiefs in management theory and practice, and will better serve as the integration node within the Management Directorate.

Impact on Performance (Relationship of Increase to Strategic Goals)
The Business Transformation Office will enable a greater realization of support program efficiencies and cost avoidance, by seizing on and capitalizing on synergies and interdependencies amongst Management Lines of Business.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Under Secretary for Management
Justification of Proposed Changes in Under Secretary for Management
Appropriation Language

For necessary expenses of the Office of the Under Secretary for Management, as authorized by sections 701-705 of the Homeland Security Act of 2002 (6 U.S.C. 341-345), [$168,835,000]. $209,138,000: *Provided,* That not to exceed $3,000 shall be for official reception and representation expenses: *Provided further*, That of the total amount provided, [$26,070,000] $8,206,000 shall remain available until expended solely for the alteration and improvements of facilities, tenant improvements, and relocation costs to consolidate Department headquarters operations.

Explanation of Changes:

No explanation necessary.

B. FY 2006 to FY 2007 Budget Change

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE*	Amount
2005 Actual	**173**	**173**	**$146,273**
2006 Revised Enacted 3/	**265**	**265**	**167,147**
Adjustments-to-Base			
Transfers to and from other accounts:			
Realignment From BTO to CAO for 2SR FTE adjustment /1	(1)	(1)	(180)
Realignment From BTO to CHCO for 2SR FTE adjustment /1	(3)	(3)	(540)
Transfer From BTO to CIO for 2SR FTE adjustment /1	(3)	(3)	(412)
Realignment To CAO from BTO for 2SR FTE adjusment /1	1	1	180
Realignment To CHCO from BTO for 2SR FTE adjustment /1	3	3	540
Total Transfers	(3)	(3)	(412)
Increases			
Pay Raise	---		591
Non-pay inflation excluding GSA Rent			1,967
Total Increases	---	---	2,558
Decreases			
DHS HQS Project	---	---	(25,810)
Total Decreases	---	---	(25,810)
Total Adjustments-to-Base	(3)	**(3)**	**(23,664)**
2007 Current Services	**262**	**262**	**143,483**
Program Changes			
Program Increases/(Decreases)			
DHS Headquarters Project	---	---	8,206
Office of Human Capital - MaxHR	29	15	41,749
Office of Procurement	50	25	7,800
Office of Security	22	11	6,800
Immediate Office of US/M	3	2	550
Business Transformation Office	3	2	550
Total Program Changes	**107**	**55**	**65,655**
2007 Request /2	**369**	**317**	**209,138**
2006 to 2007 Total Change	**104**	**52**	**41,991**

1/ The realignments and transfer of FTE from BTO are reflected as adjustments-to-base because they were not reflected in the FY06 Revised Enacted Level.

2/ The President's budget appendix reflects 318 FTE in FY 2007 which has been decreased by 1 FTE to 317 FTE in President's Budget request.

3/ The President's budget appendix reflects 254 FTE in FY 2006 which has been increased by 11 FTE in the Preside Budget request.

C. Summary of Requirements

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	173	173	$146,273
2006 Revised Enacted	265	265	167,147
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	(3)	(3)	(412)
Increases	---	---	2,558
Decreases	---	---	(25,810)
Total Adjustments-to-Base	(3)	(3)	(23,664)
2007 Current Services	262	262	143,483
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	107	55	65,655
2007 Total Request	369	317	209,138
2006 to 2007 Total Change	104	52	41,991

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos.	FTE*	Amount	Pos	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Immediate Office of US/M	6	6	$1,670	---	---	($208)	3	2	$ 550	9	8	2,012	3	2	$342
2 Business Transformation Office	12	12	1,861	(7)	(7)	(394)	3	2	550	8	7	2,017	(4)	(5)	156
3 Office of Administration	45	45	39,600	1	1	618				46	46	40,218	1	1	618
4 DHS Headquarters Project	---	---	25,810	---	---	(25,810)	---	---	8,206	---	---	8,206	---	---	(17,604)
5 Office of Human Capital	50	50	8,811	3	3	1,016	---	---	---	53	53	9,827	3	3	1,016
6 Office of Human Capital - MaxHR	12	12	29,700	---	---	---	29	15	41,749	41	27	71,449	29	15	41,749
7 Office of Procurement	46	46	8,930			165	50	25	7,800	96	71	16,895	50	25	7,965
8 Office of Security	94	94	50,765	---	---	949	22	11	6,800	116	105	58,514	22	11	7,749
9										---	---	---	---	---	---
10										---	---	---	---	---	---
11										---	---	---	---	---	---
12										---	---	---	---	---	---
Total	265	265	$167,147	(3)	(3)	($23,664)	107	55	$65,655	369	317	$209,138	104	52	$41,991

Note:

*The President's budget request reflects a total of 265 FTE in FY 2006 which is an increase of 11 FTE from the 254 FTE reflected in the President's Budget Appendix.

D. Summary of Reimbursable Resources

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Department of Homeland Security, US Visit	---	---	$533	---	---	$535			$544	---	---	9
Department of Homeland Security, Office of the Inspector General	---	---	200	---	---	265			270	---	---	5
Department of Homeland Security, FEMA - Disaster Relief Fund				---	---	300				---	---	(300)
Department of Homeland Security, GSA				---	---	660				---	---	(660)
										---	---	---
Total Budgetary Resources	---	---	733	---	---	1,760	---	---	814	---	---	(946)

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Office of Security	---	---	$783			$800			$814	---	---	14
Immediate Office USM						300				---	---	(300)
Office of Procurement				---	---	660				---	---	(660)
										---	---	---
Total Obligations	---	---	783	---	---	1,760	---	---	814	---	---	(946)

E. Summary of Requirements by Object Class

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$13,785	$25,535	$35,359	$9,824
11.3 Other than full-time permanent	478	631	586	(45)
11.5 Other Personnel Compensation	241	623	783	160
11.8 Special Service Pay	233	---	---	---
12.1 Benefits	3,029	6,901	9,723	2,822
13.0 Benefits - former			---	---
Total, Personnel Comp. & Benefits	**$17,766**	**$33,690**	**$46,451**	**$12,761**
Other Object Classes:				
21.0 Travel	313	679	777	98
22.0 Transportation of things	1,795	1,073	1,082	9
23.1 GSA rent	4,889	11,162	12,336	1,174
23.2 Other rent	69	135	135	---
23.3 Communications, utilities, & other misc. charges	401	6,283	4,355	(1,928)
24.0 Printing and reproduction	111	199	286	87
25.1 Advisory and assistance services	12,106	63,991	108,760	44,769
25.2 Other services	3,975	8,230	9,110	880
25.3 Purchases of goods & svcs. from Gov't accounts	78,669	31,314	14,954	(16,360)
25.4 Operation & maintenance of facilities	---	92	100	8
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	45	1,760	1,770	10
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	895	873	1,017	144
31.0 Equipment	25,239	7,666	8,005	339
32.0 Land & structures				---
41.0 Grants/Subsidies/Contributions				---
42.0 Indemnity				---
43.0 Interest & dividends				---
44.0 Refunds				---
91.0 Unvouchered				---
99.0 Other				---
Total, Other Object Classes	**$128,507**	**$133,457**	**$162,687**	**$29,230**
Total, Direct Obligations	**$146,273**	**$167,147**	**$209,138**	**$41,991**
Total requirements	**$146,273**	**$167,147**	**$209,138**	

F. Permanent Positions by Grade

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Rev'd Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	12	18	19	1
Total, EX	1	2	2	---
GS-15	30	76	78	2
GS-14	43	73	123	50
GS-13	48	66	96	30
GS-12	9	18	33	15
GS-11	5	3	4	1
GS-10	10	---	---	---
GS-9	---	4	6	2
GS-8	6	---	---	---
GS-7	---	1	3	2
GS-6	8	---	---	---
GS-5	---	1	1	---
GS-4	1	2	2	---
GS-3				---
GS-2				---
Other Graded Positions		1	3	2
Ungraded Positions	---	---	---	---
Total Permanent Positions	**173**	**265**	**370**	**105**
Unfilled Positions EOY	12			---
Total Perm. Employment EOY	161			---
FTE	**173**	**265**	**317**	**52**
Headquarters	173	265	317	52
U.S. Field				---
Foreign Field				---
Total Permanent Positions	**173**	**265**	**317**	**52**
Average ES Salary	$ 143,400	$ 149,200	$ 152,500	$ 3,300
Average GS Salary	$ 70,800	$ 75,900	$ 80,400	$ 4,500
Average GS Grade	12/5	12/6	12/7	1 00

G. Capital Investment and Construction Initiative Listing

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Immediate Office of the Under Secretary
Funding Schedule
(Dollars in Thousands)

	PPA: PPA Name	2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$342	$590	$725	135
11.3	Other than perm	159	278	278	---
11.5	Other per comp	2	7	7	---
11.8	Spec Srvc Pay				---
12.1	Benefits	108	233	280	47
13.0	Benefits-former				---
21.0	Travel	115	30	49	19
22.0	Transportation of things				---
23.1	GSA rent				---
23.2	Other rent				---
23.3	Communication, Utilities, and misc charges				---
24.0	Printing		2	2	---
25.1	Advisory & Assistance Services	157	450	591	141
25.2	Other Services	8			---
25.3	Purchase from Govt. Accts.	81	60	60	---
25.4	Operation & maintenance of facilities				---
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment		10	10	---
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials	6	10	10	---
31.0	Equipment	2			---
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Immediate Office US/M		**$980**	**$1,670**	**$2,012**	**$342**
Full Time Equivalents		6	6	8	2

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PPA Mission Statement

The Immediate Office of the Under Secretary of Management ensures the "front office" of our Directorate, are able to function effectively and efficiently in support of both the Department as a whole, and the Directorate itself. It provides a framework, and a process, to the Chiefs and staff in US/M in order to monitor and facilitate the Directorate's internal workings. In addition, this office responds directly to the Executive Secretariat in a variety of areas and missions.

The requested funding will allow the Immediate Office of US/M to manage the Directorate's workload; respond quickly to queries from within, and outside, the Department; and further our efforts for functional integration.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$611**	**$1,108**	**$1,290**	**$182**

Salaries and Benefits includes costs for 2 new FTEs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$115**	**$30**	**$49**	**$19**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $19k in increased WCF charges.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$0**	**$0**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$0**	**$0**	**$0**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$0**	**$0**	**$0**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$0**	**$0**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$2**	**$2**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$157**	**$450**	**$591**	**$141**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $141k in increased WCF charges.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$8**	**$0**	**$0**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$81**	**$60**	**$60**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$0**	**$0**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Research and Development	**$0**	**$0**	**$0**	**$0**

Research and Development includes costs for contracts for the conduct of basic and applied research and development.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$0**	**$0**	**$0**	**$0**

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment		**$10**	**$10**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$0**	**$0**	**$0**	**$0**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$6**	**$10**	**$10**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$2**	**$0**	**$0**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$0**	**$0**	**$0**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$0**	**$0**	**$0**	**$0**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$0**	**$0**	**$0**	**$0**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$0**	**$0**	**$0**	**$0**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Business Transformation Office
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$72	$1,148	$822	($326)
11.3	Other than perm	4			---
11.5	Other per comp				---
11.8	Spec Srvc Pay	172			---
12.1	Benefits	18	428	222	(206)
13.0	Benefits-former				---
21.0	Travel	5	6	6	---
22.0	Transportation of things				---
23.1	GSA rent				---
23.2	Other rent				---
23.3	Communication, Utililities, and misc charges				---
24.0	Printing				---
25.1	Advisory & Assistance Services	450	215	877	662
25.2	Other Services		50	75	25
25.3	Purchase from Govt. Accts.	84			---
25.4	Operation & maintenance of facilities				---
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment				---
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials		4	5	1
31.0	Equipment		10	10	---
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Business Transformation Office		**$805**	**$1,861**	**$2,017**	**$156**
Full Time Equivalents		5	12	7	(5)

PPA Mission Statement

BTO oversees the design, development, planning, and execution of functional integration initiatives impacting all core management functions. The BTO focuses on functional integration, including establishment of baseline servicing metrics and development of targeted goals for service improvement. BTO ensures that standards are realized, stakeholders/customers are consulted, timelines ar met, and resources are coordinated.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$266**	**$1,576**	**$1,044**	**($532)**

Salaries and Benefits includes costs for 2 new FTEs, the realignment of 7 2SR billets, and an overall decrease in personnel compensation of $532k.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$5**	**$6**	**$6**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$0**	**$0**	**$0**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$0**	**$0**	**$0**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$0**	**$0**	**$0**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$0**	**$0**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$0**	**$0**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$450**	**$215**	**$877**	**$662**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $ 662k of which $12k is non-pay inflation, the remainder a program increase in order to continue to provide services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services		**$50**	**$75**	**$25**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes an increase of $ 25k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change

Purchase from Government Accounts	**$84**	**$0**	**$0**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$0**	**$0**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Research and Development	**$0**	**$0**	**$0**	**$0**

Research and Development includes costs for contracts for the conduct of basic and applied research and development.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$0**	**$0**	**$0**	**$0**

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$0**	**$0**	**$0**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change

Subsistence & Support of Persons	**$0**	**$0**	**$0**	**$0**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials		**$4**	**$5**	**$1**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $ 1k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment		**$10**	**$10**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$0**	**$0**	**$0**	**$0**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$0**	**$0**	**$0**	**$0**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies,

commissions, proceedings, or projects.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$0**	**$0**	**$0**	**$0**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$0**	**$0**	**$0**	**$0**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Office of Administration

Funding Schedule

(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$3,082	$3,645	$4,525	$880
11.3	Other than perm	133	209	213	4
11.5	Other per comp	95	46	47	1
11.8	Spec Srvc Pay				---
12.1	Benefits	733	1,178	1,444	266
13.0	Benefits-former				---
21.0	Travel	35	62	62	---
22.0	Transportation of things	1,791	570	570	---
23.1	GSA rent	4,630	8,789	9,865	1,076
23.2	Other rent	69	135	135	---
23.3	Communication, Utililities, and misc charges	396	4,000	2,000	(2,000)
24.0	Printing	4	6	6	---
25.1	Advisory & Assistance Services	3,080	6,500	6,500	---
25.2	Other Services	1,638	6,500	6,500	---
25.3	Purchase from Govt. Accts.	6,527	2,100	2,100	---
25.4	Operation & maintenance of facilities		60	60	---
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment		1,300	1,300	---
25.8	Subsistence & Support of persons	---			---
26.0	Supplies & materials	528	500	539	39
31.0	Equipment	1,681	4,000	4,352	352
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Office of Administrative Services		**$24,422**	**$39,600**	**$40,218**	**$618**
Full Time Equivalents		37	45	46	1

PPA Mission Statement

Administrative Services functional areas include the Executive Services Center; Asset Management (logistics, real estate, personal property, aviation, transportation, fleet, marine vessels, mail screening and delivery); and Occupational Safety and Health (environmental planning and management); historic preservation, energy management, records, directives, forms, library services, printing and graphics.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$4,043**	**$5,078**	**$6,229**	**$1,151**

Salaries and Benefits includes costs for 46 FTEs. The FY 2007 request includes an increase of $180k in Salary and Benefits in order to transfer a 2SR staff member in from BTO, and $816k in annualization of the salaries and benefits of the ten new FTE in FY 2006 and $5k increase in other than full time positions and $150k for the pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$35**	**$62**	**$62**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$1,791**	**$570**	**$570**	**$0**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$4,630**	**$8,789**	**$9,865**	**$1,076**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $186k in non-pay inflation, and $890k for space rented for DHS Departmental Management purposes.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$69**	**$135**	**$135**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$396**	**$4,000**	**$2,000**	**($2,000)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $2,000k in order to absorb increases in higher priority items (rent and salaries and benefits).

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$4**	**$6**	**$6**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. T

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$3,080**	**$6,500**	**$6,500**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,638**	**$6,500**	**$6,500**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$6,527**	**$2,100**	**$2,100**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities		**$60**	**$60**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment		**$1,300**	**$1,300**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$528**	**$500**	**$539**	**$39**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $39k as a result of non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$1,681**	**$4,000**	**$4,352**	**$352**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $252k in non-pay inflation, $100k in other increases.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
DHS Headquarters Project
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions				$0
11.3	Other than perm				---
11.5	Other per comp				---
11.8	Spec Srvc Pay				---
12.1	Benefits				---
13.0	Benefits-former				---
21.0	Travel				---
22.0	Transportation of things				---
23.1	GSA rent				---
23.2	Other rent				---
23.3	Communication, Utililities, and misc charges		500	158	(342)
24.0	Printing				---
25.1	Advisory & Assistance Services				---
25.2	Other Services	354	340	108	(232)
25.3	Purchase from Govt. Accts.	66,594	24,795	7,885	(16,910)
25.4	Operation & maintenance of facilities				---
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment				---
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials				---
31.0	Equipment		175	55	(120)
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, DHS Headquarters Project		**$66,948**	**$25,810**	**$8,206**	**($17,604)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

To streamline departmental administrative functions and create a unified Department of Homeland Security, we will continue to find, design, renovate, improve, and secure a minimum number of DHS Headquarters facilities. Continued relocation of as much of the Department Headquarters as possible in collocated space will enable better communication and more efficient operations.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges		**$500**	**$158**	**($342)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes a decrease of $342k, proportionate to the reduction in total funding.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$354**	**$340**	**$108**	**($232)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes a decrease of $232k, proportionate to the reduction in funding.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$66,594**	**$24,795**	**$7,885**	**($16,910)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $16,910k proportionate to the reduction in funding.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment		**$175**	**$55**	**($120)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a decrease of $120k, proportionate to the reduction in funding.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Office of Human Capital
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$4,559	$5,509	$6,049	$540
11.3	Other than perm	123	16	16	---
11.5	Other per comp	68	168	182	14
11.8	Spec Srvc Pay				---
12.1	Benefits	942	870	956	86
13.0	Benefits-former				---
21.0	Travel	61	30	33	3
22.0	Transportation of things				---
23.1	GSA rent	192	19	74	55
23.2	Other rent				---
23.3	Communication, Utililities, and misc charges		110	159	49
24.0	Printing	29	15	20	5
25.1	Advisory & Assistance Services	89	1,633	1,683	50
25.2	Other Services	53	361	376	15
25.3	Purchase from Govt. Accts.	454	7	159	152
25.4	Operation & maintenance of facilities	---	16	20	4
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment	23			---
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials	105	47	75	28
31.0	Equipment	8	10	25	15
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Office of Human Capital		**$6,706**	**$8,811**	**$9,827**	**$1,016**
Full Time Equivalents		49	50	53	3

PPA Mission Statement

The Office of Human Capital is organized around two major components: (1) Office of Human Capital Programs and Policy and (2) Corporate Services. The Office of HC is responsible for the design and implementation of the new DHS human resources management system, MaxHR, including the human resources strategy and technology components necessary for its successful deployment.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$5,692**	**$6,563**	**$7,203**	**$640**

Salaries and Benefits includes costs for 3 new FTEs transferred to CHCO through the 2SR reorganization. The request includes costs of $540k to cover pay and benefits for 3 new FTE and $85k for the pay raise.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$61**	**$30**	**$33**	**$3**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The travel increase reflects an inflationary increase of $ 3k.

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. This includes costs ofmoving staff into new space in FY 05.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$192**	**$19**	**$74**	**$55**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. GSA Rent increases in FY 2007 to reflect the space occupied by the additional FTE.

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges		**$110**	**$159**	**$49**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. An additional cost of $48k is anticipated to pay the additional cost for computers and related services for the additional 3 FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$29**	**$15**	**$20**	**$5**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 requests includes an inflationary increase of $5k.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$89**	**$1,633**	**$1,683**	**$50**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an inflationary increase of $50k.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$53**	**$361**	**$376**	**$15**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request include an inflationary increase of $ $15k.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$454**	**$7**	**$159**	**$152**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $ 152k to pay for costs associated with the use of OPM services and implementation of e-Gov activities..

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$16**	**$20**	**$4**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $ 4k to pay for wear and tear on current facilities over time.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$105**	**$47**	**$75**	**$28**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request include an increase of $ 28k to pay for the additional requirements associated with new FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$8**	**$10**	**$25**	**$15**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes an increase of $15k as a result of the new FTE.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Office of Human Capital - MaxHR
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$383	$717	$2,450	$1,733
11.3	Other than perm	9	8	8	---
11.5	Other per comp	8	38	98	60
11.8	Spec Srvc Pay	61			---
12.1	Benefits	70	191	597	406
13.0	Benefits-former				---
21.0	Travel	8	6	75	69
22.0	Transportation of things	---	3	3	---
23.1	GSA rent		778	756	(22)
23.2	Other rent				---
23.3	Communication, Utililities, and misc charges	5	1,378	1,723	345
24.0	Printing		20	100	80
25.1	Advisory & Assistance Services	7,676	25,037	63,984	38,947
25.2	Other Services	311	112	130	18
25.3	Purchase from Govt. Accts.	2,869	875	880	5
25.4	Operation & maintenance of facilities	---	16	20	4
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment	22			---
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials	49	10	75	65
31.0	Equipment	23,526	511	550	39
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Office of Human Capital - MaxHR		**$34,997**	**$29,700**	**$71,449**	**$41,749**
Full Time Equivalents		12	12	27	15

PPA Mission Statement

The Office of Human Capital is organized around two major components: (1) Office of Human Capital Programs and Policy and (2) Corporate Services. The Office of HC is responsible for the design and implementation of the new DHS human resources management system, MaxHR, including the human resources strategy and technology components necessary for its successful deployment.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$531**	**$954**	**$3,153**	**$2,199**

Salaries and Benefits includes costs for 15 new FTEs. The FY 2007 request includes costs of $2,200k to cover pay and benefits for 15 new FTE and $11k for COLA adjustments. $2,200k includes one half year funding for 15 FTE and full year funding for 12 FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$8**	**$6**	**$75**	**$69**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The travel increase reflects an increase of $69k to reflect additional travel expected to occur during those two fiscal years.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent		**$778**	**$756**	**($22)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request is expected to decrease in FY 2007 based upon the alloation fo rental costs in the currrently occupied space.

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$5**	**$1,378**	**$1,723**	**$345**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes an increase as a result of the additional FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing		**$20**	**$100**	**$80**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $80k due to the anticipated increase in supervisory training.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$7,676**	**$25,037**	**$63,984**	**$38,947**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. Costs are expected to increase by $38,947k to pay for the additional cost of operating and maintaiining the new MaxHR system; to pay for the additional costs of implementing MaxHR in CBP and CIS; and to pay for the cost of implementing the WIG buyout.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$311**	**$112**	**$130**	**$18**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes an increase of $18k for inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$2,869**	**$875**	**$880**	**$5**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $ 5k for inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$16**	**$20**	**$4**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $ 4k to pay for the increase in wear and tear on current facilities over time.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$22**	**$0**	**$0**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$49**	**$10**	**$75**	**$65**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes an increase of $ 65k to pay for additional supplies and materials required by the additional FTE.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$23,526**	**$511**	**$550**	**$39**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increase of $ 39k to support the new FTEs.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Office of Procurement
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$3,938	$4,920	$9,250	$4,330
11.3	Other than perm	34	100	50	(50)
11.5	Other per comp	42	194	274	80
11.8	Spec Srvc Pay				---
12.1	Benefits	869	1,297	2,734	1,437
13.0	Benefits-former				---
21.0	Travel	81	165	165	---
22.0	Transportation of things				---
23.1	GSA rent	67	91	95	4
23.2	Other rent				---
23.3	Communication, Utililities, and misc charges		250	250	---
24.0	Printing	4	72	72	---
25.1	Advisory & Assistance Services	88	1,550	2,714	1,164
25.2	Other Services	1,229	171	1,171	1,000
25.3	Purchase from Govt. Accts.	594	5	3	(2)
25.4	Operation & maintenance of facilities	---			---
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment			2	2
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials	196	115	115	---
31.0	Equipment				---
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Office of Procurement		**$7,142**	**$8,930**	**$16,895**	**$7,965**
Full Time Equivalents		46	46	71	25

PPA Mission Statement

The OCPO reports directly to the Under Secretary for Management, and is responsible for overall management, administration and oversight assistance, strategic sourcing and competitive sourcing programs. Functions of the OCPO include: Acquisition Policy and Oversight: Responsible for development of the DHS acquisition regulations and policies, strategic acquisition development, and retention of a professional workforce, and oversight and performance management of the DHS acquisition infrastructure.

Competitive Sourcing and Privatization: Responsible for the Department's implementation of the Federal Activities Inventory Reform, Circular A-76, and the President's Management Agenda (PMA) Competitive Sourcing Initiative. Grant Policy and Oversight: Responsible for the development of the DHS grant management regulations and policies, workforce planning and retention of a professional workforce, and oversight and performance management of the DHS grant processing and management infrastructure.

Strategic Sourcing and Acquisitions Systems: Responsible for managing the DHS strategic sourcing program and acquisition systems and data management.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$4,883**	**$6,511**	**$12,308**	**$5,797**

Salaries and Benefits includes costs for 71 FTEs. The FY 2007 request includes increases of $ 5,797 in program increases for 25 new FTEs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$81**	**$165**	**$165**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$67**	**$91**	**$95**	**$4**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $3k in program increases and $1k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges		**$250**	**$250**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$4**	**$72**	**$72**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$88**	**$1,550**	**$2,714**	**$1,164**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $1,000k in program increases and $164k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,229**	**$171**	**$1,171**	**$1,000**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $1,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$594**	**$5**	**$3**	**($2)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $2k.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$0**	**$0**	**$2**	**$2**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $2k for SMARTCARD assessments.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$196**	**$115**	**$115**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Office of Immigration Statistics
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacte	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$1,409			$0
11.3	Other than perm	16			---
11.5	Other per comp	26			---
11.8	Spec Srvc Pay				---
12.1	Benefits	289			---
13.0	Benefits-former				---
21.0	Travel	8			---
22.0	Transportation of things	4			---
23.1	GSA rent				---
23.2	Other rent				---
23.3	Communication, Utililities, and misc charges				---
24.0	Printing	74			---
25.1	Advisory & Assistance Services	566			---
25.2	Other Services	382			---
25.3	Purchase from Govt. Accts.	1,466			---
25.4	Operation & maintenance of facilities				---
25.5	Research & Development				---
25.6	Medical care				---
25.7	Operation & maintenance of equipment				---
25.8	Subsistence & Support of persons				---
26.0	Supplies & materials	11			---
31.0	Equipment	22			---
32.0	Land & Structures				---
41.0	Grants/Subsidies/Contributions				---
42.0	Indemnity				---
91.0	Unvouchered				---
Total, Office of Immigration Statistics		**$4,273**	**$0**	**$0**	**$0**
Full Time Equivalents		30			---

PPA Mission Statement

The Office of Immigration Statistics moved from the US/M appropriation to the Office of the Exec Sec appropriation in FY 06.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$1,740**	**$0**	**$0**	**$0**

Salaries and Benefits includes costs for 71 FTEs. The FY 2007 request includes increases of $ 5,797 in program increases for 25 new FTEs.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$8**	**$0**	**$0**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$4**	**$0**	**$0**	**$0**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $3k in program increases and $1k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$74**	**$0**	**$0**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$566**	**$0**	**$0**	**$0**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $1,000k in program increases and $164k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$382**	**$0**	**$0**	**$0**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $1,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$1,466**	**$0**	**$0**	**$0**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes a decrease of $2k.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$11**	**$0**	**$0**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$22**	**$0**	**$0**	**$0**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract.

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
Office of Security
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacte	2007 Request	2006 to 2007 Change
Object Classes:		**do not report**			
11.1	Perm Positions	x	$9,006	$11,538	$2,532
11.3	Other than perm	x	20	21	1
11.5	Other per comp	x	170	175	5
11.8	Spec Srvc Pay	x			---
12.1	Benefits	x	2,704	3,490	786
13.0	Benefits-former	x			---
21.0	Travel	x	380	387	7
22.0	Transportation of things	x	500	509	9
23.1	GSA rent	x	1,485	1,546	61
23.2	Other rent	x			---
23.3	Communication, Utililities, and misc charges	x	45	65	20
24.0	Printing	x	84	86	2
25.1	Advisory & Assistance Services	x	28,606	32,411	3,805
25.2	Other Services	x	696	750	54
25.3	Purchase from Govt. Accts.	x	3,472	3,867	395
25.4	Operation & maintenance of facilities	x			---
25.5	Research & Development	x			---
25.6	Medical care	x			---
25.7	Operation & maintenance of equipment	x	450	458	8
25.8	Subsistence & Support of persons	x			---
26.0	Supplies & materials	x	187	198	11
31.0	Equipment	x	2,960	3,013	53
32.0	Land & Structures	x			---
41.0	Grants/Subsidies/Contributions	x			---
42.0	Indemnity	x			---
91.0	Unvouchered	x			---
Total, Office of Security		x	**$50,765**	**$58,514**	**$7,749**
Full Time Equivalents			94	105	11

PPA Mission Statement

The Office of Security protects DHS employees, facilities, information, and other physical assets. The DHS Office of Security focuses on: coordinating and managing department-wide security functions at the Department level; developing new security initiatives, policies and procedures; and applying best security practices and policies at the component level to protect the full range of departmental activities.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$0**	**$11,900**	**$15,224**	**$3,324**

Salaries and Benefits includes costs for 105 FTEs, 11 of which are new in FY 2007. The FY 2007 request includes an increase of $3,324 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**x**	**$380**	**$387**	**$7**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $7k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**x**	**$500**	**$509**	**$9**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $ 9k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**x**	**$1,485**	**$1,546**	**$61**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $ 27k in non-pay inflation, and $34k in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	x	$0	$0	$0

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	x	$45	$65	$20

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $ 20k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	x	$84	$86	$2

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 request includes an increase of $ 2k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	x	$28,606	$32,411	$3,805

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $736k in non-pay inflation and $ 3,069 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	x	$696	$750	$54

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $ 13k in non-pay inflation, and $ 41k in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	x	$3,472	$3,867	$395

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $ 63k in non-pay inflation and $ 332k in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	x	$0	$0	$0

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	x	$450	$458	$8

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request includes an increase of $ 8k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	x	$187	$198	$11

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $11k in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	x	$2,960	$3,013	$53

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $ 53k in non-pay inflation.

I. Schedule of Working Capital Fund

Department of Homeland Security
Under Secretary for Management
Under Secretary for Management
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Under Secretary for Management				
Immediate Office US/M	1,004	228	244	$16
Business Transformation Office	83	84	61	-$23
Office of Administration	9,055	13,689	12,459	-$1,230
Office of Human Capital	2,308	5,389	5,529	$140
Office of Procurement	762	6,631	6,685	$54
Office of Security	---	4,968	4,938	-$30
WCF Grand Total	13,212	30,989	29,916	-$1,073

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Department of Homeland Security

Departmental Management and Operations

Under Secretary for Management

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

Under Secretary for Management

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A. Mission and Description of Under Secretary for Management

The Management Directorate ensures delivery of effective and efficient business and management services throughout the Department, to enable the Department of Homeland Security to lead the unified national effort to secure America.

The DHS Management Directorate improves mission effectiveness by ensuring efficient service delivery and exceptional management services to the Department and providing policy guidance, operational oversight and support, and innovate solutions for the management needs of the entire Department.

The Directorate includes the Business Transformation Office, the Office of the Chief Administrative Officer, the Office of the Chief Human Capital Officer, the Office of the Chief Procurement Officer, and the Office of the Chief Security Officer. In addition, under two separate appropriations, the Office of the Chief Financial Officer and the Office of the Chief Information Officer are also a part of the Management Directorate. All offices are currently located in the District of Columbia Metropolitan Area.

B. Major Activities and Key Strategic Issues

In FY 2005, final regulations for the Department's new human resource program, MaxHR, were issued. These regulations will guide ongoing implementation of MaxHR and mark a major milestone in an intensive design effort conducted with representatives from the Department's components, union representatives, experts from our Chief Human Capital Office and the Office of Personnel Management as well as employees and others from around the country who commented on our proposed regulations. Work on the new human resources management systems focused on finalizing the regulations and continued development of the redesigned system.

The FY 2006 appropriation provided $167.147 million and 265 FTE to the Under Secretary for Management. These resources are used to execute the necessary functions of leading, directing, and managing the Department. In addition to providing leadership to the Department, the Under Secretary for Management is responsible for the oversight, integration, and optimization of the Department's human resources and personnel, financial management, budget and appropriations, procurement and administrative services.

Functional operations within the Department continue to identify and realize savings for the entire Department by reducing and consolidating the number of disparate processes and systems. The goal is to balance available resources in order to provide effective and efficient services to the Department.

Immediate Office of the Under Secretary for Management: Base funding for FY 2006 is $1.670million and 6 FTE. Funding allows for continued management and oversight of Directorate operations and activities. Key efforts in FY 2006 and FY 2007 will focus on continued efforts to respond as a Directorate to internal requirements.

Business Transformation Office: Base funding for FY 2006 is $1.861 million and 12 FTE, which included 7 Second Stage Review (2SR) billets which are transferred to other offices within the Management Directorate in FY 2007. Funding is focused on the BTO's function as the dedicated resource for providing guidance, evaluation, and facilitation for the functional integration of the Department's management process. The BTO provides program management standards to help the Under Secretary for Management (USM) track functional Lines of Business major initiatives and identify, monitor and report on the interdependencies between them.

Office of Administration: Base funding for FY 2006 is $39.6 million and 45 FTE. The Administrative Services Officer is responsible for a wide variety of activities such as mail screening and delivery, courier services, shuttle and sedan drivers, personal property internal controls, facilities and space planning, occupational health and safety, environmental programs, records and forms management, directives and printing, as well as the Executive Service Center. While these activities are aimed to coordinate and direct these functions across the Department, the office is also responsible for providing operating support for these functions at the HQ, where most of the current resources are used.

FY 2005 Accomplishments: Completed functional integration FY 2005 milestones for Administrative Services; achieved Green for progress on President's Management Agenda for real property; identified necessary standards and metrics for Administrative Services functions; developed initial set of scorecards to measure component performance for Administrative Functions; developed strategy and structure to sustain HQ operations/support; initiated Enterprise Records Management System pilot program; initiated Risk Management Information System planning for work safety and health; consolidated HQ Rent billing through the Working Capital Fund; and awarded Department-wide package service contract.

FY 2006 Planned Accomplishments: Complete Administrative Services FY 2006 functional integration milestones; achieve Administrative Services FY 2006 PMA milestones; complete scorecards and measure performance for all Administrative Services functions for all components; augment strategy and structure to sustain HQ operations and start up components; initiate DHS HQ emergency preparedness program; and leverage Department-wide resources for savings and efficiencies in delivering certain shared services with consolidated billing through the working capital fund which include Mail Operations, Executive Sedan Service, Shuttle Service, Parking, and Transit Subsidy.

FY 2007 Projected Accomplishments: The FY 2007 request is $40.218 million and 46 FTE. Complete Administrative Services FY 2007 functional integration milestones; achieve Administrative Services FY 2007 PMA milestones; measure

performance for all Administrative Services functions for all components; support HQ operations and start up components; and maintain DHS HQ emergency preparedness program.

DHS Headquarters Project: Base funding for FY 2006 is $25.81 million. We recognize that the NAC is not a suitable long term location for the Department Headquarters.

FY 2005 Accomplishments: Initiated planning and programming of space requirements for HQ elements; updated housing plans; updated overall project plan, down scoping tenant improvements to identify funds for priority security upgrades; provided necessary funds for DHS portion of Navy move costs; and commenced necessary work to effect tenant improvements, power upgrades, and tenant moves.

FY 2006 Planned Accomplishments: Continue next phase of security upgrades, including vehicle and visitor screening; and continue additional work for tenant improvements and moves of additional available space. Continue security upgrades and minor alterations to space at the NAC. DHS will also support other project management and costs related to relocating and realigning headquarters space.

FY 2007 Projected Accomplishments: The funds ($8.206m) will be used to support Headquarters facilities requirements at multiple locations. Complete security upgrades and minor alterations to space at the NAC and continue with tenant improvements. Support relocations, procurement of furniture, project management and project development costs related to ongoing adjustments of consolidating headquarters facilities, including headquarters back office functions in efficient and economical space.

Office of Human Capital: Funding for FY 2006 is $8.811 million and 50 FTE. The base is largely salaries and some additional funding for internal training, travel, supplies, contractor support and license/fees. HR Operations funding increased in FY 2006 which included a request for an additional FTE. In addition, a technical correction for funding of staff was requested (and received). In FY 07, three additional FTE associated with the Second Stage Review reorganization will be included as a transfer in the FY 2007 request.

FY 2005 Accomplishments: The Office of Human Capital authored its Human Capital Strategic Plan, completed the payroll provider consolidation of the eight payroll providers into one for the entire Department; implemented the human capital functional integration directive (including alignment of human capital goals with strategic plan priorities); completed a DHS Workforce Plan and an initial study on DHS learning management systems; issued new policies on telework, employee assistance programs, and incident response; and developed a department-wide recruitment brand. In addition, the SES Performance Management System received OPM certification. The Headquarters' Personnel Operations managed a full range of personnel services for all Headquarter components, including meeting or exceeding the 45-day hiring timeline.

FY 2006 Planned Accomplishments: The additional FTE will perform work related to Workforce Strategy and Analysis which includes conducting DHS employee surveys funded in FY 2006. Other plans include: implementing the DHS Workforce Plan to close gaps in mission-critical occupations and executive positions; continuing to refine the DHS hiring processes in order to improve on the Federal standard of 45 days, leveraging technology and personnel security processes to minimize the hiring timeframe; providing the Secretary, Deputy Secretary, and Components Heads an annual evaluation of human capital programs, to include a strategic plan and assessment of each component's functional performance in the human capital line of business; developing and implementing action plans to address top priority issues identified in the Federal Human Capital Survey, including employee morale, satisfaction, and culture issues; continuing to establish DHS human capital policies and operating procedures; developing a process to identify and assess DHS component's human capital practices that provide the best and most cost effective operations and Centers of Excellence; establishing an Executive Leadership and Learning Center that will leverage existing facilities and resources across DHS, while ensuring the delivery of Department-wide recommended, non-technical training; cultivating high-performing workforces within CHCO and the human capital community, including development of HR professional certification standards; and modernizing and leveraging the use of technology to support HR process improvement and cost efficiencies across DHS. In addition, a Chief Learning Officer position will be established and the incumbent will conduct needs analyses (particularly in the area of executive development), identify "best practice" learning delivery models, and identify other opportunities for DHS-wide training initiatives.

FY 2007 Projected Accomplishments: In FY 2007, an increased emphasis will be placed on establishing corporate services through alliances with DHS components, reaping economies of scale and improving cost effectiveness and customer service. Other major efforts will be leveraging the Executive Leadership and Learning Center created in FY 2006 to meet executive training program needs and to create other training mechanisms to inculcate a "team" spirit across the DHS. Program evaluation will be expanded to begin measuring the effect of changes implemented through new corporate services and new training models.

Office of Human Capital – Max^{HR}: The MAX^{HR} program received base funding of $29.7 million and 12 FTE in FY 2006. Funding is dedicated to the development and fielding of the Department's new human capital system. During FY 2005, the MAX^{HR} program made significant strides in the design of the new performance management system and training of executives, supervisors, and managers on the new performance management system. Subsequent to the submission of the President's FY 2006 budget, the MAX^{HR} program's FY 2006 deployment schedule was revised and its associated funding request reduced from $53 million to $32.5 million. ($29.7 million was received in the DHS FY 2006 appropriation.) The change in the program's implementation schedule will mean increased deployment activity in FY 2007 for which the program requires an additional $41.749 million. The new pay system (i.e. pay pool establishment) for those employees originally scheduled to convert to the new market-based compensation system in FY 2006 (but will now be converted in FY 2007) is an additional

$15 million. A $22 million increase is required to fund MAX^{HR} implementation and operational costs associated with moving to a market and performance-based compensation system, which has also been scheduled in begin in FY 2007. Total funding in FY 2007 is $71.449 million (and this includes HSLRB support).

FY 2005 Accomplishments: The Office of Human Capital drafted and published final regulations for Max^{HR}; provided all employees with a comprehensive briefing and satellite broadcast concurrent with release of new regulations; conducted 30 employee focus groups on performance management; surveyed 500 employees to define organizational competencies and surveyed all DHS employees for competency validation; finalized design and management directives for adverse actions, appeals, and labor relations and drafted management directives for performance and pay; developed DHS-wide performance standards; analyzed 300+ DHS positions for job cluster assignment and market pricing (including benchmarking workshops with DHS components); defined DHS occupational clusters and paybands; developed performance leadership training program for all DHS managers and supervisors, delivering over 100 training classes; planned and hosted the annual SES training conference; developed and implemented continuing collaboration procedures; developed a staffing plan and interim operating procedures for establishment of the Homeland Security Labor Relations Board; procured a case tracking system for the labor board; established deployment teams and a facilitator network for component readiness; and conducted labor and employee relations training for DHS HR professionals and train-the-trainer for subsequent supervisory training.

FY 2006 Planned Accomplishments: In FY 2006 Max^{HR} implementation will continue. Design of the new market-based pay system will be completed; the compensation committee will be established; and final pay design decisions will be finished and vetted. Supervisor and manager training will continue as well as training for HR professionals. Non-bargaining unit employees from Headquarters, ICE, FLETC, FEMA, USCG, and all of U. S. Secret Service will be converted to the new performance system, including linkage of organizational and individual performance expectations. Insofar as is legally permissible, the Homeland Security Labor Relations Board will be established, in accordance with legislative requirements, to enhance DHS workforce responsiveness while balancing collective bargaining obligations. In addition, training on the new performance system will commence for CBP and CIS.

FY 2007 Projected Accomplishments: In FY 2007 employees in Headquarters, FLETC, FEMA, USCG, and U. S. Secret Service will be converted to the new market-based pay system. CBP and CIS employees will be converted to the new performance system, as well as any employees who were previously excluded from conversion in FY 2006.

Chief Procurement Office: The FY 2006 base funding is $8.930 million and 46 FTE. The Office of the Chief Procurement Officer (OCPO) is responsible for the overall management, administration, and oversight of department-wide acquisitions, strategic

sourcing, and competitive sourcing programs, including direct management and oversight of the Office of Procurement Operations. The office is responsible for developing DHS acquisition regulations and policies; strategic acquisition workforce planning to ensure accession, development, and retention of a professional workforce; and oversight and performance management of the DHS acquisition infrastructure. In addition to the acquisition policy development, this office is responsible for the developing DHS grant management regulations and policies; workforce planning to ensure accession, development, and retention of a professional workforce; and oversight and performance management of the DHS grant processing and grant management infrastructure.

FY 2005 Accomplishments: Strategic Sourcing and Acquisition Systems successfully implemented and expanded the commodity councils (the workgroups that identify and work savings opportunities) from 12 to 16 as well as a significant increase in the number of specific savings initiatives identified by the existing councils. The Strategic Sourcing Program for FY 2005 accomplished a cost savings of $104.5 million and an additional $1.7 million in cost avoidance totaling $106.2 million in savings. APO increased staff to assist in establishing an oversight program and to develop Departmental policies for specific acquisition authorities. APO also performed on-going oversight and audit functions for over $20 billion of acquisition and financial assistance programs. The Grants division established a grant oversight program using the e-Grant initiative. This initiative was used to oversee the $10 billion dollar grants program.

FY 2006 Planned Accomplishments: The priorities of our workforce are focused on establishing a world-class acquisition program, providing support to all Headquarters and Departmental client offices, supporting national socio-economic programs, establishing a Grants Management Program, supporting the President's Management Agenda on Competitive Sourcing and e-Government initiatives, realizing significant savings and efficiencies through strategic sourcing opportunities, and providing oversight and direction to all elements of the DHS Acquisitions Program.

FY 2007 Projected Accomplishments: Implement a central DHS-wide Program Management Support Office. Increase procurement operations by 25 FTEs to implement an efficient procurement operations and strategic sourcing teams. Establish DHS-wide acquisition workforce training to meet requirements of Public Law 104-106 Section 37(h)(1) funding levels and OFPP Policy letter 05-01 (section 6) of April 2005.

Office of Security: Base funding in FY 2006 is $50.765 million and 94 FTE which will be used for the security of all of the Department's employees, facilities, information, and other physical assets. The DHS Office of Security focuses on: coordinating and managing department-wide security functions at the Department level; developing new security initiatives, policies, and procedures; and applying best security practices and policies at the component level to protect the full range of departmental activities. This program was not a part of the USM appropriation in FY 2005, but was moved to USM in FY 2006 as a result of the Second Stage Review (2SR) organizational changes. In FY 2006 Office of Security (OS) will continue to streamline the personnel security process

significantly reducing the average turnaround time for background investigations (anticipated reduction is X percent from FY 2005). Additionally, OS will have enough resources to ensure the protection of the intelligence program and the security of information received from the intelligence community. OS will implement Computer Based Training (CBT) covering several security areas, to include safeguarding Sensitive-but-Unclassified (SBU) information. In addition, the OS will provide security awareness training to state and local officials as well as assist in the certification of State Emergency Operations Centers (EOC) for the role out of Homeland Security Information Network (HSIN-S). For FY 2007, OS will continue its FY 2006 activities as well as accomplish the initial planning and implementation of the Smartcard initiative which allow for compliance of HSPD-12.

C. Resources Requested and Performance Impact

In FY 2007, the Under Secretary for Management is requesting a total of 317 FTE and $209.138 million representing an increase of 52 FTE and an increase of $41.991 million over the FY 2006 enacted appropriation.

Immediate Office of the Under Secretary: Key efforts in FY 07 will focus on continued efforts to respond as a Directorate to internal requirements. The increase of 2 FTEs will enable us to not only manage USM as a Directorate, but will also enable us to move forward in functional integration.

Office of Administration: FY 2007 request is $40.218 million and 46 FTE. The two largest costs are Rent at $10,000,000, and Salaries and Benefits at $6,924,000. Complete Administrative Services FY 2007 functional integration milestones; achieve Administrative Services FY 2007 PMA milestones; measure performance for all Administrative Services functions for all components; support HQ operations and start up components; and maintain DHS HQ emergency preparedness program

DHS Headquarters Project: FY 2007 funds ($8.206 million) will be used to support Headquarters facilities requirements at multiple locations. Remaining work on security upgrades and minor alterations to space at the NAC will account for $2.0 million. $1.0 will be used for tenant improvements. The remainder, $5.206 million, will be used to support relocations, furniture, project management and project development costs of related to ongoing adjustments of consolidating headquarters facilities, including headquarters back office functions in efficient and economical space.

Office of Human Capital: In FY 2007, funds provided ($9.827 million) will be used to place an increased emphasis on establishing corporate services through alliances with DHS components, reaping economies of scale and improving cost effectiveness and customer service. Other major efforts will be leveraging the Executive Leadership and Learning Center created in FY 2006 to meet executive training program needs and to create other training mechanisms to inculcate a "teaming" spirit across the DHS.

Program evaluation will be expanded to begin measuring the effect of changes implemented through new corporate services and new training models.

Office of Human Capital – Max^{HR}: In FY 2007 employees in Headquarters, FLETC, FEMA, USCG, and U. S. Secret Service will be converted to the new market-based pay system. CBP and CIS employees will be converted to the new performance system, as well as any employees who were previously excluded from conversion in FY 2006.

Chief Procurement Office FY 2007 Planned Accomplishments using funding of $16.895million, include implementing a central DHS-wide Program Management Support Office, increasing procurement operations by 25 FTE's to implement an efficient procurement operations and strategic sourcing teams, and Establishing DHS-wide acquisition workforce training to meet requirements of Public Law 104-106 Section 37(h)(1) funding levels and OFPP Policy letter 05-01 (section 6) of April 2005.

Office of Security: For FY 2007, the Security Office will continue its FY06 activities as well as accomplish the initial planning and implementation of the Smartcard initiative which allow for compliance of HSPD-12, using a funding level of $58.514 million.

D. How Under Secretary for Management Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

The following list of Under Secretary for Management programs with their performance goals are followed by the DHS strategic objective or objectives they support.

Under Secretary for Management - Consolidate support services under the control of the Department of Homeland Security in order to maximize management efficiencies and ensure continuity of services in the near term.

7.1 Value our people.
7.2 Create a Single Departmental Culture.
7.3 Continually Improve Our Way of Doing Business.

E. Performance Based Budget Highlights by Program

For each FYHSP program, the performance goal, performance measure/s, budget including allocation of non-programmatic overhead, and FTE are:

Performance Goal: DHS program units receive world class policy and low cost management support services, which enable them to efficiently achieve or exceed the DHS strategic goals and meet the standards of the President's Management Agenda.					
Measure: Percentage of President's Management Agenda initiatives with a green rating.	Fiscal Year	FY2004	FY2005[1]	FY2006	FY2007
	Target	BASELINE	40%	50%	60%
	Actual	30%	40%	TBD	TBD
Program: Office of the Under Secretary for Management	$ Thousands	$64,427	$147,853	$167,147	$209,138
	FTE	129	173	265	317

1 Figures for FY 2005 and prior years do not include funding and FTE that transferred in to OCFO as part of the Secretary of Homeland Security's Second Stage Review.

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY2005 Actual		FY2006 Revised Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Other Changes	
Budget Activity	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY Office of the Under Secretary for Management	173	146,273	265	167,147	317	209,138	52	41,991	55	65,655	(3)	(23,664)
Unobligated budget expiring												
Subtotal, Budget Authority (All Sources)	173	146,273	265	167,147	317	209,138	52	41,991	55	65,655	(3)	(23,66
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	173	146,273	265	167,147	317	209,138	52	41,991	55	65,655	(3)	(23,664)

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Department of Homeland Security

Departmental Management and Operations

Office of the Chief Financial Officer

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

DEPARTMENTAL MANAGEMENT AND OPERATIONS
OFFICE OF THE CHIEF FINANCIAL OFFICER

I. Appropriation Overview

A. Mission Statement for Appropriation Name:

The mission of the Office of Chief Financial Officer (OCFO) is to provide guidance and oversight of the Department's budget, financial management, investment review, and strategic planning functions to ensure funds necessary to carry out the Department's mission are obtained, allocated, and expended in accordance with the Department's priorities and relevant law and policies. The OCFO has five goals: (1) to increase efficiency and effectiveness by producing financial data that is timely, reliable, and useful to decision makers; (2) to strengthen accountability by ensuring that internal controls are in place across the Department and appropriate oversight reviews are conducted; (3) to reduce costs by consolidating functions, systems, and processes and by instituting best business practices; (4) to achieve results through the use of rigorous planning, measurement, and evaluation processes; and (5) to ensure financial leadership for the Department by continuously developing our employees.

B. Budget Activities:

Under the OCFO, the following divisions fulfill these functions:

Performance Analysis and Evaluation (PA&E):

- Develops policies and provides guidance and oversight on matters pertaining to program analysis and evaluation
- Composes, presents, and defends the Future Years Homeland Security Program (FYHSP), and justifies resource requests
- Meets the performance-based budget requirements set by OMB
- Develops analytic tools, data, and methods for analyzing DHS planning and resource allocation
- Provides support to the DHS Investment Review Board by reviewing requirements and analyzing performance and life-cycle costs
- Serves as Executive Secretary of the Joint Requirements Council

Budget:

- Responsible for the Departmental budget, appropriations, and expenditures of funds
- Coordinates with PA&E to formulate annual budget submissions, assures these properly reflect the requirements of DHS, and assists in the presentation and defense of submissions to OMB and the Congress
- Assists PA&E with preparation of the FYHSP
- Coordinates and reviews budget execution for each component and appropriation, at the macro level; conducts spend plan and execution reviews; and acts on requests for modifications

- Conducts special studies and analyses of execution of financial plans and recommends reprogramming necessary for effective funds utilization
- Prepares budgetary reports as necessary or as required by OMB and the Congress
- Administers funds not specifically allotted to other component of DHS, such as the Counterterrorism Fund
- Coordinates with the Office of Legislative Affairs in preparing for Congressional hearings
- Tracks status of reports to Congress required by appropriations bills
- Ensures technical accuracy and consistency of budget-related materials among the components and in accordance with OMB or Congressional guidance
- Manages and coordinates components entering their budgets into the President's electronic on-line MAX (budget preparation) data system
- Analyzes and reviews pending legislation, reports to Congress, testimony, and other documents for budgetary impact
- Coordinates and reviews apportionments, reapportionments, and allotments for all appropriations across all components

Financial Management and Policy:

- Responsible for the development and oversight of Departmental financial management policy; coordination of government-wide financial management initiatives in the Department
- Ensures effective internal control over Departmental resources and consistency of internal control across components
- Implements the *Federal Managers' Financial Integrity Act*, *CFO Act*, and the *Federal Financial Management Improvement Act*
- Coordinates the Financial Management Improvement Initiative of the President's Management Agenda
- Prepares the Department's consolidated financial statements and other required financial information included in the Performance and Accountability Report
- Operates the Department's Working Capital Fund
- Administers the DHS Bankcard (purchase, travel, and fleet) Program, develops and documents bankcard policy, provides training and establishes and maintains internal control to provide reasonable assurance that the goals and objectives of the Bankcard Program are met and safeguards against fraudulent, improper, abuse, untimely payment, etc. are identified on a timely basis and appropriate corrective action is taken

Resource Management Transformation Office (RMTO):

- Responsible for the oversight, administration, and maintenance of DHS business and financial systems across the enterprise; RMTO is focused on improving resource management and enabling DHS components to improve the efficiency and effectiveness of their core support functions
- Leads transformation efforts to implement DHS-wide enterprise solutions and to merge, improve, integrate and leverage on-going component initiatives and capabilities to create a world-class best value environment in which they can operate
- Implements the Department's eTravel solution across all components

GAO and OIG Audit Liaison:

- Coordinates the Department's engagement in Government Accountability Office (GAO) and Office of the Inspector General (OIG) audits, including entrance and exit conferences, and the Department's response to audit reports and findings
- Tracks audit recommendations and the Department's implementation of those recommendations
- Provides oversight and guidance to component-level GAO and OIG audit liaison offices and to DHS employees involved in audit investigations

C. Budget Request Summary:

The OCFO requests 116 positions, 102 FTE, and $44,380,000 for FY 2007. The total adjustment-to-base is 5 FTE and $18,362,000. The program increases include 20 positions, 10 FTE, and $6,807,000 to increase CFO staffing in the Budget, Program Analysis and Evaluation, and Financial Management and Policy Divisions, and to fund additional contractor technical assistance to implement Public Law 108-330, the *Department of Homeland Security Financial Accountability Act*. The 10 FTE will fund 20 new positions for one half-year. The additional resources will help OCFO meet the requirements of the DHS Financial Accountability Act; enable DHS OCFO staff to evaluate and report on the effectiveness of the Department's internal control over financial reporting; help the OCFO to provide Departmental oversight of management processes, findings and remediation efforts; increase budget reviews and conduct more thorough analysis of components' execution of their appropriations; and help further the Department's functional integration of the financial management line of business. These initiatives are integral in supporting the Department's plan to achieve an unqualified audit opinion with no material weaknesses.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Office of the Chief Financial Officer	66	$12,938	87	$19,211	102	$44,380	15	$25,169	10	6,807	5	$18,362
Subtotal, Enacted Appropriations and Budget Estimates	**66**	**$12,938**	**87**	**$19,211**	**102**	**$44,380**	**15**	**$25,169**	**10**	**$6,807**	**5**	**$18,362**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**66**	**$12,938**	**87**	**$19,211**	**102**	**$44,380**	**15**	**$25,169**	**10**	**$6,807**	**5**	**$18,362**

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III. Current Services Program Description by PPA

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
Program Performance Justification
(Dollars in thousands)

DHS Infrastructure Transformation Program

The Department's Infrastructure Transformation Program (ITP), led by the Office of the Chief Information Officer (OCIO), will integrate the IT infrastructures of the 22 legacy components into "One Infrastructure". Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. The ITP will eliminate the duplicative infrastructures and provide common capabilities and services for all components to leverage.

The ITP consists of five domains with a Department component assigned as a steward responsible and accountable for the performance of each domain. The domains and their stewards are listed below:

- Network Services led by Customs and Border Protection (CBP):
- Data Center Services led by CBP;
- Email Services led by U.S. Coast Guard (USCG):
- Help Desk Services led by USCG; and
- Video Operations Services led by Federal Emergency Management Agency (FEMA).

The OCIO oversees the work of the stewards and the other components to ensure operational requirements are met and investments and resource allocations are balanced across the components.

Implementation of the ITP will eliminate the need for components to spend resources on improving their own infrastructures. Instead, some of the investment funding previously used for stovepiped infrastructures will be used to support the department-wide ITP effort. For example, CBP's IT initiatives such as the Automated Commercial Environment will benefit from the capabilities and services the ITP will provide such as network access, data center hosting, email/collaboration services, wireless access, integrated help desk, voice access, video services, and on-site support. Rather than independently developing new capabilities or augmenting legacy capabilities within CBP, the ITP will provide enterprise-level services that will benefit all components.

By investing in the ITP, DHS components will benefit from economies of scale while promoting Department integration, and improving information sharing and interoperability. The amount of IT investment funding from components to support the ITP is still under deliberation and any such proposal will be fully vetted with the Congress prior to any actions being taken.

IV. Program Justification of Changes

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: OCFO Initiative

Strategic Goal(s) & Objective(s): 7.3 Continually improve our way of doing business

Program Increase: Positions 20 FTE 10 Dollars $6,807

Funding Profile

	FY 2005 Actual			FY 2006 Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							8	8	$5,316
Program Increase							20	10	6,807
Total Request	**0**	**0**	**$0**	**8**	**8**	**$5,220**	**28**	**18**	**$12,123**

Description of Item

This program increase provides 20 Positions, (10 FTE,) and $2,224,000 for increased staffing in the Budget, Program Analysis and Evaluation, and Financial Management and Policy Divisions of the Office of the Chief Financial Officer, and $4,583,000 for advisory and assistance services.

Justification

The increase of 20 Positions, (10 FTE,) and $2,224,000 requested is for half-year funding of salary and benefits, plus travel, training, supplies, and Working Capital Fund charges. The most pressing needs for additional FTE in the OCFO are:

1) To provide greater guidance to and oversight of components in the areas of budget execution, financial reporting, and audit remediation. The majority of the new positions will be devoted to this effort. Despite previous staffing increases, the OCFO remains understaffed in these areas. Additional positions will enable the Department to conduct more thorough analysis of components' execution of their appropriations, provide assistance to components in financial reporting, and more closely monitor components' progress in remediation of weaknesses identified by the financial statement auditors.
2) To develop timely, accurate, useful Department-level financial and management data to support decision-making. The OCFO will improve data capabilities through eMerge^2, HR systems, financial reporting, program analysis and evaluation, and efforts such as managerial cost accounting, and will need to turn that raw data into useful information. This need necessitates a focused, central effort by the OCFO to collect, compile, analyze, and present data in a manner that is useful to the Department's managers.

3) To meet the requirements of the *DHS Financial Accountability Act*, including requirements for an audit of internal controls, and other new reporting and financial requirements. DHS needs to standardize financial management across the Department and to develop a robust program of internal controls to ensure accountability. These efforts necessitate a stronger headquarters financial policy staff. Functional integration of the financial policy function is not possible because it is an inherently departmental function. No component has a financial policy function that could provide the service or that OCFO could capitalize. (The former U.S. Customs Service, for example, received financial policy guidance from the Treasury Department. OCFO must now provide the components guidance but does not have a sufficient financial policy staff.)
4) To further the functional integration of the Department's financial management line of business by developing and executing plans to consolidate segments of financial management, particularly in the operations area to reduce costs and improve efficiencies. To further the consolidation of segments of financial management requires a much deeper understanding of and involvement in financial operations of the various DHS components than the OCFO has developed since the Department's inception. A deep understanding of and involvement in component day-to-day financial operations is not typical for Department level OCFOs to maintain, however, in order to consolidate, the DHS OCFO must develop this understanding and become more involved in component financial operations. Increased staff is needed to shepherd initiatives and work with the components to make functional integration effective.

The increase of $4,583,000 for advisory and assistance services is needed to further the implementation of the *Department of Homeland Security Financial Accountability Act*. As part of the DHS internal controls and financial management standardization program, the OCFO needs contract technical assistance to help DHS develop and implement policy, procedures and internal controls and fully comply with all regulation. The technical assistance will assist OCFO staff to:

1) evaluate and report on the effectiveness of the Department's internal control over financial reporting;
2) provide Departmental oversight of management processes, findings, and remediation efforts as the Department scopes and executes its plan for implementing the *DHS Financial Accountability Act*;
3) perform assessments on IT-related internal control structural changes brought on by the eMerge^2 migration; and
4) Analyze opportunities for further functional consolidation of segments of financial management.

The Department's FY 2007 budget includes a coordinated, cross-organizational effort to improve internal controls over financial reporting. This initiative is part of DHS' ongoing effort to improve internal controls and financial reporting, so that we can improve safeguards against potential waste, fraud, and abuse. This effort is also necessary to comply with the *DHS Financial Accountability Act*. Combined with the resources appropriated to the OCFO in FY 2006, the additional funding requested for the OCFO and component organizations in FY 2007 is expected to fully fund the cost of our internal controls assessment, testing, and remediation. We anticipate that it will take approximately three years to make the necessary improvements in our controls structure, after which the cost of both the controls work and the audit costs should taper off significantly. The funding requested in the DHS CFO's budget will support the cost of headquarters internal control improvements, the cost of work as smaller organizations such as the U.S. Secret Service, and as necessary in the larger organizations where extensive material weaknesses exist. Improvements in controls to support the Secretary's required assurance statement on controls, and the audit of controls, is mandated by the *DHS Financial Accountability Act*.

FY 2007 Enhancement Requests for Internal Controls Improvements

COMPONENT	FY 2007 Enhancement Request
Customs & Border Protection	$1,000,000
Federal Emergency Management Agency	$1,000,000
Immigration & Customs Enforcement	$1,000,000
Transportation Security Administration	$1,000,000
Under Secretary for Preparedness	$1,000,000
Under Secretary for Science & Technology	$1,000,000
US Coast Guard	$2,000,000
Office of the Chief Financial Officer	$4,583,000
TOTAL	**$12,583,000**

The increase in FY 2007 is also needed because the Office of the Chief Financial Officer will incur certain costs for the first time that year. The results of the audit will likely make corrective action efforts necessary in FY 2007. Additional requirements (beyond the internal controls requirements) brought on by the *DHS Financial Accountability Act*, such as reviews and analyses required of all CFO Act agencies create the need for increased funding. These efforts are integral to the Department's plan to achieve an unqualified audit opinion with no material weaknesses by FY 2007.

Impact on Performance (Relationship of Increase to Strategic Goals)

The requested program increase supports DHS Strategic Goal 7.3 – Continually improve our way of doing business. By improving financial management in the Department, the Office of the Chief Financial Officer is supporting the accountability, efficiency, and economy of all DHS components and enabling maximum direction of resources toward the Homeland Security mission.

Increased staff in the OCFO Budget, Program Analysis and Evaluation, and Financial Management and Policy Divisions will enable OCFO to increase oversight of the components budget execution and financial management. The increased staffing will allow the OCFO to work closely with the components on integrating the financial management line of business at DHS, to undertake material weakness remediation efforts, and to ensure proper management of the Department's resources.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Departmental Management and Operations
Justification of Proposed Changes in Office of the Chief Financial Officer
Appropriation Language

For necessary expenses of the Office of the Chief Financial Officer as authorized by section 103 of the Homeland Security Act of 2002 (6 U.S.C. 113), [19,405,000] ***$44,380,000, of which $18,000,000 shall be for the eMerge^2 program.*** *(Department of Homeland Security Appropriations Act, 2006.)*

Explanation of Changes:

eMerge^2 – The eMerge^2 system was funded in the Office of the Chief Information Officer prior to FY 2007.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**81**	**66**	**$12,938**
2006 Revised Enacted	**91**	**87**	**19,211**
Adjustments-to-Base			
Transfers to and from other accounts:			
eMerge2 (from OCIO, Department-wide Technology Investments)	---	---	17,820
Total Transfers	---	---	17,820
Increases			
Technical FTE adjustment for e-Merge	5	5	---
2007 pay increase	---	---	233
GSA Rent	---	---	78
Non-pay inflation excluding GSA Rent	---	---	231
Total Increases	5	5	542
Decreases			
Total Decreases	---	---	---
Total Adjustments-to-Base	**5**	**5**	**18,362**
2007 Current Services	**96**	**92**	**37,573**
Program Changes			
Program Increases/(Decreases)			
OCFO Initiative	20	10	6,807
Total Program Changes	**20**	**10**	**6,807**
2007 Request	**116**	**102**	**44,380**
2006 to 2007 Total Change	**25**	**15**	**25,169**

C. Summary of Requirements

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	81	66	$12,938
2006 Revised Enacted	91	87	19,211
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	---	---	17,820
Increases	5	5	542
Decreases	---	---	---
Total Adjustments-to-Base	5	5	18,362
2007 Current Services	96	92	37,573
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	20	10	6,807
2007 Total Request	116	102	44,380
2006 to 2007 Total Change	25	15	25,169

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Office of the Chief Financial Officer	91	87	19,211	5	5	18,362	20	10	$ 6,807	116	102	$44,380	25	15	$25,169
Total	**91**	**87**	**$19,211**	**5**	**5**	**$18,362**	**20**	**10**	**$6,807**	**116**	**102**	**$44,380**	**25**	**15**	**$25,169**

D. Summary of Reimbursable Resources

Not applicable

Not Applicable

E. Summary of Requirements by Object Class

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$6,073	$8,480	$9,730	$1,250
11.3 Other than full-time permanent	459	159	182	23
11.5 Other Personnel Compensation	194	304	349	45
11.8 Special Service Pay	---	168	193	25
12.1 Benefits	1,592	2,684	3,080	396
13.0 Benefits - former	---	---	---	---
Total, Personnel Comp. & Benefits	**$8,318**	**$11,795**	**$13,534**	**$1,739**
Other Object Classes:				
21.0 Travel	63	75	100	25
22.0 Transportation of things	1	---	10	10
23.1 GSA rent	100	265	375	110
23.2 Other rent	---	---	---	---
23.3 Communications, utilities, & other misc. charges	---	608	3,937	3,329
24.0 Printing and reproduction	77	156	159	3
25.1 Advisory and assistance services	2,377	5,150	16,648	11,498
25.2 Other services	155	590	625	35
25.3 Purchases of goods & svcs. from Gov't accounts	1,650	523	680	157
25.4 Operation & maintenance of facilities	---	---	789	789
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	138	---	---	---
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	42	46	110	64
31.0 Equipment	15	3	7,413	7,410
32.0 Land & structures	2	---	---	---
41.0 Grants/Subsidies/Contributions	---	---	---	---
42.0 Indemnity	---	---	---	---
43.0 Interest & dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$4,620**	**$7,416**	**$30,846**	**$23,430**
Total, Direct Obligations	**$12,938**	**$19,211**	**$44,380**	**$25,169**
Unobligated balance, start of year	---	---	---	
Unobligated balance, end of year	62	---	---	
Recoveries of prior year obligations	---	---	---	
Total requirements	**$13,000**	**$19,211**	**$44,380**	

F. Permanent Positions by Grade

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacte Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	7	6	6	---
Total, EX	---	---	---	---

GS-15	21	24	24	---
GS-14	33	34	34	---
GS-13	5	14	34	20
GS-12	3	9	13	4
GS-11	7	5	4	(1)
GS-10	---	---	---	---
GS-9	6	3	---	(3)
GS-8	---	---	---	---
GS-7	1	1	1	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**83**	**96**	**116**	**20**
Unfilled Positions EOY	9	---	---	---
Total Perm. Employment EOY	74	96	116	20
FTE	**66**	**87**	**102**	**15**
Headquarters	83	96	116	20
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	**83**	**96**	**116**	**20**
Average ES Salary	$ 142,357	$ 148,175	$ 152,768	$ 4,593
Average GS Salary	$ 90,492	$ 94,598	$ 98,102	$ 3,504
Average GS Grade	13.37	13.50	13.50	---

G. Capital Investment and Construction Initiative Listing

Departmental Management and Operations
Office of the Chief Financial Officer

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer
PPA: Office of the Chief Financial Officer
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$6,073	$8,480	$9,730	$1,250
11.3	Other than perm	459	159	182	23
11.5	Other per comp	194	304	349	45
11.8	Spec Srvc Pay	---	168	193	25
12.1	Benefits	1,592	2,684	3,080	396
13.0	Benefits-former	---	---	---	---
21.0	Travel	63	75	100	25
22.0	Transportation of things	1	---	10	10
23.1	GSA rent	100	265	375	110
23.2	Other rent	---	---	---	---
23.3	Communication, Utililities, and misc charges	---	608	3,937	3,329
24.0	Printing	77	156	159	3
25.1	Advisory & Assistance Services	2,377	5,150	16,648	11,498
25.2	Other Services	155	590	625	35
25.3	Purchase from Govt. Accts.	1,650	523	680	157
25.4	Operation & maintenance of facilities	---	---	789	789
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	138	---	---	---
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	42	46	110	64
31.0	Equipment	15	3	7,413	7,410
32.0	Land & Structures	2	---	---	---
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Office of the Chief Financial Officer		**$12,938**	**$19,211**	**$44,380**	**$25,169**
Full Time Equivalents		66	87	102	15

PPA Mission Statement

The mission of the Office of the Chief Financial Officer (OCFO) is to provide guidance and oversight of the Department's budget, financial management, investment review, and strategic planning functions to ensure funds necessary to carry out the Department's mission are obtained, allocated, and expended in accordance with the Department's priorities and relevant law and policy. The OCFO has five goals: (1) to increase efficiency and effectiveness by producing financial information that is timely, reliable, and useful to decision makers, (2) to strengthen accountability by ensuring that internal controls are in place across the Department and appropriate oversight reviews are conducted; (3) to reduce costs by consolidating functions, systems, and processes and by instituting best practices; (4) to achieve results through the use of rigorous planning, measurement, and evaluation processes; and (5) to ensure financial leadership for the Department by continuously developing our employees.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$8,318**	**$11,795**	**$13,534**	**$1,739**

Salaries and Benefits includes costs for 102 FTE. The FY 2007 request includes an increase of $239,000 for the proposed January 2007 increase in personnel compensation, $78,000 in annualization for the January 2006 increase, a technical adjustment of $502,000 from OC 25.1 to reflect the techical increase of 5 FTE, and $1,004,000 for half-year funding of 20 new positions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$63**	**$75**	**$100**	**$25**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increases of $2,000 in non-pay inflation and $23,000 in program increases due to increased staffing levels.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$1**	**$0**	**$10**	**$10**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes program increases of $10,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$100**	**$265**	**$375**	**$110**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $5,000 in non-pay inflation, a transfer in of $32,000 with the eMerge2 program, and program increases of $73,000 due to increased staffing levels.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$0**	**$0**	**$0**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 request does not request any funding for other rent.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$608**	**$3,937**	**$3,329**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $10,000 in non-pay inflation, a transfer in of $2,531,000 with the eMerge2 program, and $788,000 in program increases due to higher staffing levels.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$77**	**$156**	**$159**	**$3**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entitities. The FY 2007 request includes an increase of $3,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$2,377**	**$5,150**	**$16,648**	**$11,498**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 request includes an increase of $179,000 in non-pay inflation, a transfer in of $7,238,000 with the eMerge2 program, a technical decrease of ($502,000) to move funds to OC 11 & 12 to account for the technical adjustment of 5 FTE, and a program increase of $4,583,000.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$155**	**$590**	**$625**	**$35**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $10,000 in non-pay inflation, and a transfer in of $25,000 with the eMerge2 program.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$1,650**	**$523**	**$680**	**$157**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $9,000 in non-pay inflation, a transfer in of $34,000 with the eMerge2 program, and program increases of $114,000 due to higher staffing levels.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$0**	**$0**	**$789**	**$789**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account. The FY 2007 request includes transfer in of $607,000 with the eMerge2 program, and program increases of $182,000 due to higher staffing levels.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Research and Development	**$0**	**$0**	**$0**	**$0**

Research and Development includes costs for contracts for the conduct of basic and applied research and development. The FY 2007 request does not include funding for research and development.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Medical Care	**$0**	**$0**	**$0**	**$0**

Medical care includes payments to contracts for medical services, but excludes contracts with individuals who are reportable under OPM regulations as federal employees or payments to compensate casual workers and patient help. The FY 2007 request does not include funding for medical care.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$138**	**$0**	**$0**	**$0**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request does not include funding for operation and maintenance of equipment.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Subsistence & Support of Persons	**$0**	**$0**	**$0**	**$0**

Subsistence & Support of Persons includes costs for contractual services with the public or another Federal government account for the board, lodging, and care of persons, including prisoners. The FY 2007 request does not include funding for subsistence and support or persons.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$42**	**$46**	**$110**	**$64**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $1,000 in non-pay inflation, a transfer in of $33,000 with the eMerge2 program, and program increases of $30,000 due to higher staffing levels.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$15**	**$3**	**$7,413**	**$7,410**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes a transfer in of $7,320,000 with the eMerge2 program and $90,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$2**	**$0**	**$0**	**$0**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 request includes no funding for land and structures.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Grants/Subsidies/Contributions	**$0**	**$0**	**$0**	**$0**

Grants/Subsidies/Contributions includes cash payments to States, other political subdivisions, corporations, associations, individuals, and contributions to foreign countries, international societies, commissions, proceedings, or projects. The FY2007 request includes no funding for Grants/Subsidies/Contributions.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$0**	**$0**	**$0**	**$0**

Insurance claims and indemnities includes all benefit payments from the social insurance and Federal retirement trust funds and payments for losses and claims including those under the Equal Access to Justice Act. The FY 2007 request includes no funding for indemnity.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$0**	**$0**	**$0**	**$0**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request includes no funding for unvouchered expenditures.

I. Schedule of Working Capital Fund

Department of Homeland Security
Departmental Management and Operations
Office of the Chief Financial Officer

FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Office of the Chief Financial Officer	$1,580,895	$2,607,740	$2,806,686	$198,946
Total Working Capital Fund	**$1,580,895**	**$2,607,740**	**$2,806,686**	**$198,946**

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Department of Homeland Security

Departmental Management and Operations

Office of the Chief Financial Officer

Fiscal Year 2007

Strategic Context
Congressional Justification

25756A

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

Departmental Management and Operations
Office of the Chief Financial Officer (OCFO)

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A. Mission and Description of the Office of the Chief Financial Officer (OCFO)

The Office of the Chief Financial Officer (OCFO) is responsible for the fiscal management, integrity, and accountability of the Department of Homeland Security (DHS). The mission of the OCFO is to provide guidance and oversight of the Department's budget, financial management, and investment review to ensure funds necessary to carry out the Department's mission are obtained, allocated, and expended in accordance with the Department's priorities and relevant law and policies. The OCFO provides the financial management policy and oversight necessary to support the Department in achieving its strategic goals of preventing terrorist attacks within the United States, reducing America's vulnerabilities to terrorism, and minimizing the damage and recovering from attacks that may occur. The OCFO is also responsible for the Department's interactions with the GAO and OIG. The OCFO is continually progressing toward meeting its goal of achieving the financial management integration and consolidation needed to create a seamless organization that shares services, information, and best practices across previously stove-piped organizations.

B. Major Activities and Key Strategic Issues

In FY 2006, the Office of the Chief Financial Officer received an appropriation of 87 FTE and $19,211,000. The OCFO is using these resources to carry out the necessary functions of leading, directing, and managing the Department's finances. The FY 2006 base funding contains $11,795,000 for personnel compensation and benefits for 87 FTE (for the Budget Division, Program Analysis and Evaluation Division, Financial Management and Policy Division, Resource Management Transformation Office, and the Government Accountability Office/Inspector General Liaison Staff) and $7,416,000 for non-personnel costs, such as contract support for internal controls audit preparation, the development of financial management standard operating procedures, budget analysis services, the Future Years Homeland Security Program (FYHSP), the FY 2007 Congressional Budget Justification and Budget-in-Brief, and the FY 2005 Performance and Accountability Report (PAR).

One of the most important initiatives for the OCFO in FY 2006 and beyond is complying with Public Law 108-330, The *Department of Homeland Security Financial Accountability Act*. The Act subjects DHS to the provisions of the *Chief Financial Officer's Act*, thereby requiring the Department to comply with the provisions of the *Federal Financial Management Improvement Act (FFMIA)* and undertake biennial reviews of user fees. The law required that beginning in FY 2005 the PAR include an assertion by the Secretary of DHS regarding the adequacy of internal controls that apply to financial reporting in the Department, and that beginning in FY 2006 the PAR include an audit opinion of DHS's internal controls over our financial reporting. Using resources provided in FY 2006 (5 new FTE and $4,000,000 for contract support) the OCFO is making substantial progress with the documentation and preparation work for the audit of internal controls. The *DHS Financial Accountability Act* requirements regarding internal control reporting, coupled with the related requirements of the CFO Act and the FFMIA, impose significant management challenges and resource demands on the Department.

Another very important initiative for OCFO is improving visibility into the budget execution and financial management of DHS components. OCFO has increased oversight and guidance of components and is conducting frequent FY 2006 budget execution reviews. OCFO continues to provide technical assistance to components and is providing extensive training to component staffs

on Planning, Programming, Budgeting, and Execution (PPBE). This oversight and guidance is critical to improving financial performance throughout DHS and the overall financial position of the Department. Oversight will continue to strengthen in FY 2007 and beyond as more frequent OCFO reviews become institutionalized. OCFO will continue to exercise authority in component hiring for key leadership positions in the budget and financial management areas.

In FY 2007, the OCFO will continue its efforts to standardize and functionally integrate the financial management line of business activities at DHS. Having reduced and consolidated the number of accounting providers from 19 at the Department's inception to eight, the OCFO's Resource Management Transformation Office (RMTO) is pursuing the *eMerge*^{2} "Center of Excellence" (CoE) concept to consolidate further financial systems and accounting providers within DHS. The RMTO will continue to lead the Department's consolidation of financial systems and accounting providers, DHS's migration to eTravel, and will continue to develop the Department's financial metrics dashboard to deliver timely, useful information to Departmental and component financial managers.

The OCFO will design and implement Department-wide financial management policies, procedures, and internal controls, and provide component staff with training on financial management and the cycle of PPBE. The OCFO continues to conduct short- and long-range audit planning in order to systematically and continually reduce and eventually eliminate material weaknesses and achieve an unqualified audit opinion on the consolidated financial statements. The OCFO will also continue to conduct thorough program analysis and evaluation and provide the Department's executive leadership with sound and informative data upon which to base decisions about the Department's resource allocation and capital investments, and performance.

C. Resources Requested and Performance Impact

The DHS OCFO is requesting a total of 116 positions, 102 FTE, and $44,380,000 for FY 2007, a net increase of 25 positions, 15 FTE, and $25,169,000 over the FY 2006 revised enacted level. The FY 2006 revised enacted appropriation of 91 positions, 87 FTE, and $19,211,000 is adjusted for FY 2007 to 96 positions, 92 FTE, and $37,573,000. The request includes program increases of 20 positions, 10 FTE, and $6,807,000 to: a) increase staffing in the Budget and Financial Management and Policy Divisions to provide increased oversight, more thorough analysis, stronger policy guidance, and better information for decision making; and b) to increase contractor technical support of the Department's evaluation of internal control, remediation efforts, and assessment of potential IT-related internal control financial system changes that could improve internal controls.

The OCFO will continue all functions and activities from FY 2006 in FY 2007. OCFO plans in FY 2007 to continue consolidation of DHS financial management concurrent with the rollout of the Department's *eMerge*^{2} solution. For FY 2007, the OCFO requests that funding for the *eMerge*^{2} program planning and acquisition be transferred from the Office of the Chief Information Officer (OCIO), Department-wide Information Technology Investments to the OCFO. By consolidating the *eMerge*^{2} program in the OCFO, the dual reporting responsibility caused by funding split between OCIO and OCFO will be eliminated. This will place ultimate accountability for the program in the hands of the Chief Financial Officer. The primary reason that *eMerge*^{2} program investment funding was appropriated to the OCIO was to ensure that the program was coordinated from a Departmental enterprise architecture perspective. Given the new Center of Excellence (CoE) approach to the *eMerge*^{2} solution, the program is now shifting focus to financial

management, internal control, and financial policy aspects, which are not directly related to systems enterprise architecture per se. Thus, the requested transfer of the *eMerge*^{2} program into the OCFO will ensure effective coordination with Departmental and component financial management and policy.

Sound financial management at DHS is absolutely critical to mission accomplishment. Integrating 22 disparate financial management systems and cultures while complying with contemporary financial accountability requirements is a challenge unprecedented in the Federal government. At the requested funding level, the OCFO will be better able to ensure that resources are deployed effectively toward securing the homeland, which will ensure that DHS can meet its strategic goals. Program increases will enable DHS to develop timely, accurate, useful Department-level financial and management data to support decision-making, to meet the requirements of the *DHS Financial Accountability Act*, including requirements for an audit of internal controls, and other new reporting and financial requirements, and to further the functional integration of the Department's financial management line of business by developing and executing plans to consolidate segments of financial management.

D. How Component Name Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives.

Chief Financial Officer Program Performance Goal – Develop and maintain a Department-wide financial system that produces financial data that is timely, reliable, and useful to decision makers; strengthen accountability by ensuring that internal controls are in place across the Department and oversight reviews are conducted.
7.3 Continually improve our way of doing business.

E. Performance Based Budget Highlights by Program

The OCFO FYHSP performance goal, performance measure, budget, and FTE are:

Performance Goal: Develop and maintain a Department-wide financial system that produces financial data that is timely, reliable, and useful to decision makers; strengthen accountability by ensuring that internal controls are in place across the Department and oversight reviews are conducted.					
Measure: Percentage decrease in the number of reportable conditions that are considered to be material weaknesses at the consolidated level	Fiscal Year	FY2004	FY2005[1]	FY2006	FY2007
	Target	BASELINE	20%	25%	100%
	Actual	10	0%		
Program: Office of the Chief Financial Officer	$ Thousands	$10,530	$13,000	$19,211	$44,380
	FTE	60	71	87	102

1 Figures for FY 2005 and prior years do not include funding and FTE that transferred in to OCFO as part of the Secretary of Homeland Security's Second Stage Review.

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY2005 Enacted[2]		FY2006 Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2007:					
							Total Changes		Program Changes		Other Changes	
Budget Activity	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY Office of the Chief Financial Officer	71	13,000	87	19,405	102	44,380	15	25,169	10	6,807	5	18,362
Unobligated budget expiring												
Subtotal, Budget Authority (All Sources)	71	13,000	87	19,405	102	44,380	15	25,169	10	6,807	5	18,362
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	71	13,000	87	19,405	102	44,380	15	25,169	10	6,807	5	18,362

2 Figures for FY 2005 do not include funding and FTE that transferred in to OCFO as part of the Secretary of Homeland Security's Second Stage Review.

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Department of Homeland Security

Departmental Management and Operations

Office of the Chief Information Officer

Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

Office of the Chief Information Officer

I. Appropriation Overview

A. Mission Statement for the Office of the Chief Information Officer:

The Department of Homeland Security (DHS) Office of the Chief Information Officer (OCIO), in collaboration with the DHS Chief Information Officer (CIO) Council, is responsible for implementing the necessary programs to align the information Technology (IT) organization, including all of the systems and infrastructure, to support the missions and activities across the Department within each of the Components.

Under the leadership of the DHS OCIO, IT will help speed the transformation of the Department into a high-performance, highly integrated organization by providing the right technologies and systems. This transformation will collapse silos of information delivery resources into an enterprise-level delivery capability that meets DHS and Components missions, business, and IT requirements. To that end, the DHS OCIO and the CIO Council are committed to providing the following:

- A secure means of sharing appropriate information to all internal and external stakeholders;
- A set of advanced tools that enables the DHS workforce to rapidly and efficiently process, retrieve, deliver, and share information;
- A single, DHS-wide IT infrastructure environment that is reliable, scalable, flexible, maintainable, and secure;
- A clear set of performance metrics and efficient business processes;
- IT standards and frameworks that provide for integration;
- A single, consistent IT governance model;
- An enterprise-wide IT delivery capability; and
- A mature and fully detailed Enterprise Architecture.

The Department continues to overcome challenges related to IT resource allocation and prioritization of supported operational initiatives. To ensure the right people have the right information at the right time, the DHS OCIO has established the following five strategic objectives:

1. Improve project management and alignment of budget and enterprise architecture;
2. Improve infrastructure and consolidation;
3. Continue cyber security improvements;
4. Transition projects into actions and operations; and
5. Improved information sharing and data collaboration/integration.

B. Budget Activities:

Salaries and Expenses

Salaries and Expenses is a crosscutting program that provides technology-management, shared services, acquisition strategy, executive leadership support, process development, and business transformation to all offices within the DHS OCIO.

Department-wide Technology Investments

Information Technology Services – A program which supports development, implementation, and maintenance of a comprehensive and integrated Enterprise Architecture, the integration of the Department's financial management system activities (eMerge^2), the IT framework for the Department's Human Resources System (including MaxHR), geospatial technologies, and information sharing.

Security Activities – A set of programs that provide for the integration and protection of sensitive DHS information.

Wireless Program – A program whose mission it is to ensure the effective operation, management, budgeting, and procurement of all wireless technology department-wide, and the development of policy and wireless program performance metrics and standards for DHS.

Homeland Secure Data Network (HSDN) – A classified wide area network for DHS and its components, with specific and controlled interconnections to the intelligence community and federal law enforcement resources.

C. Budget Request Summary:

The OCIO requests 87 positions, 87 FTE and $323.765 million for the FY 2007 Request. The total adjustments-to-base are 9 positions, 9 FTE and ($15.834) million. The program increases include $45.342 million to:

- Improve telecommunications capabilities of the National Center for Critical Information Processing and Storage and build-out the infrastructure required to support an enterprise-wide active directory and email system focused on easing administrative overhead while improving the Department's ability to oversee the capability from a central point and at the same time supporting local control ($36.342 million).
- Enable the Infrastructure Transformation Program (ITP) to continue on a minimal level of effort to build-out useable floor space for hosting applications within the National Center for Critical Information Processing and Storage to support the enterprise data management needs of the Department ($9.000 million).

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Office of the Chief Information Officer
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	65	$66,485	78	$74,999	87	$79,521	9	$4,522	---	$0	9	$4,522
Information Technology Services	---	70,340	---	82,609	---	61,013	---	(21,596)	---	---	---	(21,596)
Security Activities	---	24,816	---	18,810	---	64,139	---	45,329	---	45,342	---	(13)
Wireless Program	---	97,690	---	85,140	---	86,438	---	1,298	---	---	---	1,298
Homeland Secure Data Network	---	---	---	32,699	---	32,654	---	(45)	---	---	---	(45)
Subtotal, Enacted Appropriations and Budget Estimates	**65**	**$259,331**	**78**	**$294,257**	**87**	**$323,765**	**9**	**$29,508**	**---**	**$45,342**	**9**	**($15,834)**
Unobligated budget expiring		1,505										
Unobligated budget carried forward End of Year		48,529										
Unobligated budget carried forward Start of Year				16,248								
Net, Enacted Appropriations and Budget Estimates	**65**	**$309,365**	**78**	**$310,505**	**87**	**$323,765**	**9**	**$29,508**	**---**	**$45,342**	**9**	**($15,834)**

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III. Current Services Program Description by PPA

Department of Homeland Security
Office of the Chief Information Officer
Program Performance Justification
(Dollars in thousands)

PPA: SALARIES AND EXPENSES

	Perm Pos	FTE	Amount
2005 Actual	**82**	**65**	**$66,485**
2006 Revised Enacted	**78**	**78**	**74,999**
2007 Adjustments-to-Base	9	9	4,522
2007 Current Services	**85**	**85**	**79,521**
2007 Program Change	0	0	0
2007 Request	**87**	**87**	**79,521**
Total Change 2006-2007	9	9	4,522

CURRENT SERVICES PROGRAM DESCRIPTION:

Salaries and Expenses enhances mission success by leveraging the best available information technologies and management practices. It provides shared services and coordinates acquisition strategies to minimize cost and improve consistency. OCIO Operations supports executive leadership in performance-based management by maintaining an enterprise architecture that is fully integrated with other management processes, and it advocates and enables business transformation in support of enhanced homeland security.

Information Security Program: Promote Federal Information Security Management Act (FISMA) and National Institute of Standards and Technology (NIST) compliance for the Department and provides a secure and trusted computing environment that enables the Department to leverage IT and effectively share information and data in support of its mission. The DHS Information Security Program is responsible for:

Security Policy - Implements DHS information security policies and guidance to ensure the protection of DHS information resources, and incorporates new information security requirements and best practices promulgated by the Office of Management and Budget (OMB), Homeland Security Presidential Directives (HSPDs) and NIST. Issues updated DHS Information Security policy directives that address new security standards and requirements, and issues system configuration hardening guidance for the most common operating systems.

Security Architecture - This activity supports information sharing and interoperability by integrating information security architecture with DHS Enterprise Architecture (EA) and Capital Planning Investment Control (CPIC) processes, and integrating information security controls in functional domains. Issues security architecture with design guidance to ensure effective deployment of security control and effective use of common security features and services.

Develops and promulgates department-wide security architecture design guidance. Defines trust domains in support of IT infrastructure transformation. Performs technology assessments to evaluate technologies that show the greatest promise for enhancing information sharing and security and can be scaled for enterprise application.

Certification and Accreditation (C&A) Remediation - This project specifically addresses a short-term need to remediate legacy IT systems to be minimally compliant with FISMA. When the Department stood-up in March 2003, it inherited legacy systems that had not been certified and accredited to operate as required by FISMA and OMB policy. The full scope of this problem was first realized following the completion of the initial DHS IT system inventory in August 2005 and was much larger than anticipated. There are between 500 and 800 total IT systems that are unaccredited throughout the Department.

The goal of this project is to rapidly certify and accredit legacy systems within a year's timeframe in order to elevate the security status to an acceptable baseline. This project will create a baseline security status, by assisting Components in documenting risks associated with the operation of individual systems, based on existing implemented security controls. Once this baseline is established, remediation of specific weaknesses will be the responsibility of individual Components, and the DHS Information Security Program will oversee continued compliance. Actual remediation costs for each system will be borne by individual Program Offices when weaknesses are identified.

Compliance and Oversight - Compliance includes management and oversight of IT system inventory assessment, C&A process, Plan of Actions and Milestones (POA&M) management, FISMA reporting, implementation of security management tools, and component compliance assist visits. The program also includes oversight of C&A weakness remediation to resolve residual IT security weaknesses. Oversight involves conducting compliance reviews, assistance visits, and program management to verify and validate compliance with DHS security requirements. This effort monitors DHS component activities to complete system accreditations, tracks progress with resolving weaknesses identified in the Component's POA&Ms, and establishes standards for performance reporting. This activity supports enhancements to security tools to integrate functionality for FISMA compliance management and reporting.

IT Security Awareness and Training - This activity supports content development of role-based IT security training for personnel with significant security responsibilities, and increased user training on security tools and processes for FISMA compliance. The goal of this activity is to develop a knowledgeable and security aware workforce in accordance with NIST SP 800-50 and SP 800-16 guidance through awareness and specialized training.

FY 2007 funding supports monitoring the accelerated efforts to close the security gap with certifying unaccredited legacy systems under the DHS C&A remediation program. The increase in the number of IT systems across the department expanded the scope of program reviews, independent verification and validation, performance reporting, and monitoring progress towards meeting information security goals. These activities address specific audit findings by the DHS Inspector General (IG) and the Government Accountability Office (GAO) to improve the consistency and integration of information security processes and improve data accuracy and integrity. In addition, the increase in the number of IT systems across the department expanded the scope of compliance and oversight, performance reporting, and assistance visits required to oversee successful implementation of FISMA.

Salaries and Expenses: This supports the management and support of IT programs and requirements. The funding includes salary and benefits, as well as the associated facilities, supplies, communications, and travel. The anticipated work requires a complex set of skills, combining legal and policy analysis, specialized technology knowledge, senior-level negotiation and communication. It involves development, application and assessment of techniques and processes for which there are no established precedents.

Infrastructure Operations and Applications Operations & Maintenance: Infrastructure Operations provides the network, e-mail, internet, intranet, and telecommunications infrastructure, as well as all end user services including desktop computing, telecommunications, cell phones, Blackberry devices, printers, and peripheral equipment to users in DHS Headquarters (HQ), Science and Technology (S&T) directorate, and the restructured components of the Information Analysis and Infrastructure Protection (IAIP) directorate.

Applications Operations capabilities provide the web-hosting environment on which all other information sharing and communications applications within the Department reside and depend. Applications Operations must plan, build, maintain, and protect these capabilities so that they remain immediately available. DHS must protect and maintain the applications operations infrastructure backbone and its applications in order to ensure that there is no adverse impact on DHS' ability to share information. This initiative supports the ongoing maintenance and an operation of these critical applications operations infrastructure capabilities, optimizes the delivery of these services, and achieves cost savings without affecting service delivery.

This funding will provide operations and maintenance for two (2) data centers, i.e., Stafford and Ashburn, which supports the DHS HQ and other DHS components. This area also supports DHS applications like DHS.gov, Listo.gov and DHS Interactive.

This funding is required to maintain the existing operations and maintenance support for users in the National Capital Area, including the Nebraska Avenue Complex. DHS Headquarters continues to mature while DHS as a whole continues to evolve. These changes include increases in headquarters personnel, moves and consolidations of office space in existing and new locations, and extensive renovations of facilities such as the Nebraska Avenue Complex (NAC) in order to support DHS operational and security requirements, and the expansion of mission applications with associated requirements for infrastructure capabilities. These maturing processes at DHS headquarters place a heavy demand on the IT infrastructure.

The infrastructure includes local area network (LAN), private branch exchange (PBX), and video teleconference (VTC) equipment, engineering and operational support required to deliver data, voice and video services at three classification levels. The amount requested is needed to maintain capabilities and services for a National Capital Area (NCA) user population which grew by 50 percent in FY 2005 and is expected to grow by an additional 20 percent in FY 2006.

The Mission Critical Infrastructure Support function at Mount Weather has been tasked to consolidate and restore all capabilities from every component organization into an integrated Homeland Security Operations Center (HSOC) environment. This includes significant work in support of classified mission areas. In order to accomplish this, funding is required to implement core infrastructure hardware and telecommunications components that will allow the department to effectively communicate with DHS components, as well as other Federal, state and international governments.

One immediate requirement is the continued operations and maintenance of the Secure VTC capabilities, which provides the Secretary with direct classified communications with the Governors. The funds requested funds will support the build-out and operational readiness of the HSOC environment and its components as a 'warm' site that will serve as the DHS headquarters location in the event of a national emergency.

IT infrastructure capabilities provide the backbone upon which all other information sharing and communications applications reside and depend. Therefore, DHS must plan, build, maintain, and protect these capabilities so that they remain immediately available. DHS must protect the IT infrastructure backbone of its electronic government applications and maintain interoperability for information sharing purposes in order to ensure that there is no adverse impact on DHS' ability to share information in times of national emergency and to carry out its day-to-day mission of detecting potential terrorist activity and preventing terrorist attacks on the homeland. The majority of the Infrastructure Operations and Applications Operations Maintenance budget is required to pay for fixed costs contracted under multi-year leases to supply hardware, software and applications support.

The Secure VTC operated from Mount Weather is a direct resource allowing DHS to communicate at the Secret level via video teleconferencing with state and local governments. This capability was utilized heavily during the London bombing incident, the Presidential elections, and in responses to hurricanes Katrina and Rita. Lack of a secure VTC capability would severely limit DHS' ability to coordinate intelligence, analysis, and responses during national emergencies. The consolidation of capabilities is vital to DHS' ability to respond to crises. Recent events highlighted the need for enhanced coordination among DHS components, and the integrated HSOC environment will provide the technical infrastructure to support such improvements. Without funding services would have to be discontinued or re-hosted at another location at significant cost to stand-up temporarily until the permanent hosting location is developed.

Applied Technology & Research Services: This project establishes a DHS-wide provision of IT research and advisory services to support IT management decisions, standards, and practices. In the absence of a single-source contract, DHS Components must subscribe to/contract for these services individually resulting in non-uniform levels of access, service, and cost. Additionally, this effort revises the DHS Technology Vision document (a forecast of emerging technology suitability for adoption) as an input and guidance to Enterprise Architecture evolution and acquisition.

Applied Technology and Research Services are primarily subscription services that incur no subsequent operations and maintenance cost. The specific services subscribed to in any year may be altered to address DHS and Component priorities. DHS actively collects and reports monthly usage metrics for each subscription, membership and consulting service to ensure that services are being used and that DHS is receiving value.

Subscription and membership services continue one-year from award. Consulting services make available a limited number of consulting days from a subscription service provider. These days are applied to custom advice for DHS, its components or projects. The DHS IT Vision document update refreshes a rolling technology forecast that serves as a basis for DHS Enterprise Architecture planning and guidance.

PPA: INFORMATION TECHNOLOGY SERVICES

	Perm Pos	FTE	Amount
2005 Actual			**$70,340**
2006 Revised Enacted			**82,609**
2007 Adjustments-to-Base			(21,596)
2007 Current Services			**61,013**
2007 Program Change			0
2007 Request			**61,013**
Total Change 2006-2007			(21,596)

CURRENT SERVICES PROGRAM DESCRIPTION:

The Information Technology Services supports the development, implementation, and maintenance of a comprehensive and integrated Enterprise Architecture, the integration of the Department's financial management system activities (eMerge^2), the IT framework for the Department's Human Resources System (Max^{HR}), geospatial technologies, and information sharing.

Geospatial: The Geospatial Management Office (GMO) is tasked with providing oversight and guidance to DHS component organizations for geospatial policy and technology matters. The mission and authorities of the GMO include establishing and executing a comprehensive program that enables the effective, collaborative, and coordinated application of geospatial capabilities and resources to provide crucial support to the homeland security mission. DHS requires coordinated, and in some cases consolidated, enterprise geospatial solutions for emergency management, law enforcement, and other homeland security mission objectives. To assure efficient and shared use (and re-use) of geospatial assets, the GMO's program plans must integrate capabilities and enable access to resources among all levels of government, first responders, and service providers in the private sector. These plans will support integration of capabilities and resources across all levels and functions of government to provide standards-based, interoperable solutions and services. In support of the mission of the Department, the guidance and oversight processes of the GMO will maximize use of enterprise geospatial assets across the federated mission systems. The GMO supports the Departmental effort to establish the necessary framework, organizational structure, and requisite resources to geospatially enable the DHS enterprise. This includes enhancing the situational awareness capabilities of the Homeland Security Operations Center and other Departmental elements tasked with critical disaster response, intelligence, and law enforcement missions.

Enterprise Architecture (EA): A "blueprint" for systematically and completely defining DHS' as-is (current or baseline), to-be (desired or target) environment, and transition plan. This program helps the Department establish a Department-wide roadmap to improve mission effectiveness and efficiency and eliminate existing stovepipe systems and increase interoperability and information sharing. This program promotes the development of a common IT environment that directly supports the Department's mission. The EA program is a key governance tool to assure that mission needs drive technology investments, and that they inform the Capital Planning and Investment Control (CPIC) process as well as the DHS Joint Requirements Council (JRC) and Investment Review Board (IRB).

Solutions Engineering: The Solutions Engineering (SE) division is the section of Infrastructure Operations that provides system engineering services to integrate components application. Efficiency considerations necessitate common services across DHS rather than multiple sets of similar services. Solutions Engineering assists DHS components by implementing initial Service Oriented Architecture (SOA) core services. The general approach advocated by SE is to:

- Leverage IT integration to improve information sharing;
- Support both near-term and longer-term mission rationalization objectives; and
- Employ a common architecture to support both internal and external information sharing and integration.

The SE program ensures DHS Department-wide coordination and oversight with regard to identifying and deploying common services with Components contributing to the stand-up and operation of these services.

Enterprise Portal: The DHS Enterprise Portal Program will develop and implement the enterprise solution for the Department and to support the implementation and dissemination of common solutions. This program develops the key components as well as coordinates the integration of different enterprise systems. This program is closely aligned to Solutions Engineering, Enterprise Architecture and the Chief Information Security Officer (CISO) with its support of the implementation and build out of the "common building blocks" and support of enterprise programs to ensure EA standards are met. The vision of the DHS Enterprise Portal Program is to provide a secure, always-on, interoperable universal point of access to information, services, and applications for all internal and external DHS user communities. The overarching mission is to develop an user-centric portal architecture to improve DHS communications, collaboration, and operational efficiency.

The Enterprise Portal Program is an on-going effort to support the enterprise programs throughout the Department. A modernization of the DHS portal beginning in FY 2007, which will be the to-be capability environment, will provide DHS more services than the current portal's capability. A central portal/portal capability becomes a virtual service that supports information sharing capability at the Department by enabling approximately 150,000 registered DHS users and stakeholders the ability to collaborate in a secure environment.

The cost for the development and stand up of the planned to-be platform will support DHS requirements aligned with the DHS Enterprise Architecture, DHS strategic goals and have improved information sharing services. New or enhanced collaborative, identity management, information sharing, web-content management (enabling search services), work flow, and document and data management services will become a part of the DHS environment that do not exist today. As portal services are delivered into the DHS environment via the new portal, DHS components will have access to these services. As enterprise services are turned on, identified redundant component services can be turned off. As the Department evolves, successive services will be added for inclusion starting in FY 2008.

Enterprise Application Delivery and Operations (EADO): The DHS CIO's Enterprise Application Delivery and Operations office is responsible for the operations, management and delivery of enterprise solutions for the Department. The role of this office is to engineer and implement Enterprise

Architecture requirements that have been determined by the DHS Enterprise Architecture Office and provide these requirements as services for DHS. One example is the establishment of Service Oriented Architecture (SOA) that supports information sharing for DHS, and the deployment of an enterprise toolset that includes program management, capital planning, enterprise architecture, and security that can interrelate to one another. This office will ensure the essential evolution of information systems and development of a common IT environment that directly supports and promotes the Department's mission.

Our methodology emphasizes '*Business First*'; shifting power and responsibility to the users -- customers and business domain experts. These planned enterprise services toolsets will help DHS establish Department-wide capabilities to improve mission effectiveness and efficiency and eliminate existing stovepipe systems. Implementation and maintenance of EAD will result in the evolution of information systems and the development of a common IT environment that directly supports and promotes the Department's mission.

The purpose of the Enterprise Application strategy is to develop DHS-wide capabilities reducing duplicative functions, gaining economies of scales, creating efficient processes and structure. Each of the capabilities listed below constitute portal and application infrastructure functions that are necessary to support corporate portal and applications management services. These departmental services create and support computing services that allows any DHS component a level of comfort to migrate away from their current environments. Each capability is intertwined and is built on layers of functionality, with dependencies throughout.

- *Enterprise Application Integration* - DHS is supporting several information integration efforts including the Watch List and the US VISIT program. These applications build a common information bus with the support of the Solutions Engineering to ensure the active deployment of this service to the Department.
- *Application Modernization and Common Solutions* - This initiative is primarily focused on application development as well as technology tools and software used to analyze existing applications, configure Commercial-off-the Shelf (COTS) software, or build and integrate applications for the Department. In the past two years 49 projects have been requested by the OCIO. This supports Congressional, Secretarial, and components requests for services outside the normal COTS products and services, i.e., a 'Common Operating Environment (COE), that support IT infrastructure requirements that become the operating systems and hardware platforms for the department. Another infrastructure support function will be the transportation of data and information across a common mechanism, such as an Enterprise Service Bus (ESB). This creates the opportunity to have departmental interfaces using standards and best practices to allow DHS to share information without needing a new interface for each application whether it is a COTS or proprietary application. Having the ESB developed will reduce the development costs for interfaces software and the subsequent operations and maintenance for these interfaces. This also supports mission critical activities and upgrades when requested.
- *Document Management* – DHS is in the process of developing a universal document management system used by all DHS enterprise programs and their components. Funding provides requirements analysis, alternative analysis and core funding to compete and buy a document management tool for the DHS. Key programs for this effort support and include capabilities for the records management program, portal program, knowledge management program, and historian program.

Program Management Support: This initiative plans and executes an effective resource allocation program to support the IT investments of the Department. Specific characteristics of the initiative include the following:

- Support of the OCIO budget (including planning, formulation, and execution activities), development of and providing advice on budget policies and procedures, and development of metrics and performance trend analyses.
- Support of DHS IT acquisition strategy, execution, and support (including development, execution, and monitoring of the acquisition management plan), prioritization of acquisitions, management of contract technical evaluations, monitoring of contract performance, and oversight of the contract administration process.
- Compliance with the OMB policy to fully implement the Program Assessment Rating Tool (PART) reporting, monitoring Component progress and compliance with DHS performance objectives, and supporting the DHS Investment Review Process (IRP), the DHS Investment Review Board (IRB), the Joint Requirements Council (JRC), and the Enterprise Architecture Board (EAB).
- Compliance with the President's Management Agenda (PMA) and OMB policy to implement the Capital Planning and Investment Control (CPIC) control phase, Earned Value Management (EVM), and Operational Analysis (OA) reporting as required in OMB Circular A-11.
- Ensuring a portfolio management program, data and analyses is available to the OCIO to make critical decisions regarding IT investment trade-offs.

eMERGE2: The eMerge2 Program is a DHS-wide initiative to provide department-wide integrated resource management information rather than the current agency-centered models. The eMerge2 Program will equip DHS managers with the critical business information and management environment necessary to improve decision-making and service delivery (both operationally and strategically). As such, eMerge2 will eliminate stovepipes between and within components and identify opportunities to establish common business practices and architecture.
The *eMerge*^{2} Program assessed and recommended methodologies that optimize investments in core resource management systems through:

- Standardized and integrated resource management data and processes
- Reduction of implementation costs by eliminating duplicative investments
- Streamlining and building repeatable processes

Human Resources Information Technology (HR IT): In 2003, a group of Human Resource Information Technology (HRIT) staff was convened to form the DHS HRIT Council that conducted research around improving and consolidating HR systems across DHS. The HRIT council included full participation from the United Stated Coast Guard (USCG,) the United States Secret Service (USSS,) the Transportation Security Administration (TSA,) Customs and Border Protection (CBP) and other DHS components. In FY 2004, an initial OMB 300 was submitted to support DHS' primary organizational mission for consolidating and modernizing its over 144 human resource (HR) systems into a common set of enterprise systems supporting "the business" of Human Capital across *one* DHS. The OMB 300 was approved and the Human Capital Business Systems (HCBS) team was formed under the auspices of the Chief Human Capital Officer to support the implementation of enterprise-wide HR systems in partnership with the various components. This year's budget request includes support for major modernization programs such as MAX^{HR}. The MAX^{HR} program centers on new

business rules required for "pay for performance" and includes a new performance management system.

Through leveraged resources and business practices, HCBS acquires enterprise-wide HR systems through coordination and collaboration with DHS components and CIO offices. In addition to acquisition activities, HR IT funding supports new projects and operational activities such as requirements analysis, enterprise testing, system training, and system certification and accreditation (C&A). Furthermore, HR IT funding provides support to the MAX^{HR} project through changes to the enterprise payroll and personnel systems in order to support the new MAX^{HR} pay for performance systems and policies across DHS.

Currently, HCBS has cost-effectively acquired enterprise-wide systems for:
1) Time & Attendance, a system that supports both time entry and labor distribution (WebTA),
2) PeopleSoft HR Personnel system that supports core HR processing (EmpowHR), and
3) Performance Management (Softscape), a system that helps to administer the new performance plans and policies for DHS.

As a cross-departmental effort pulling in support from the Department of Interior (DOI), Department of Transportation (DOT), the Department of Agriculture (USDA) and DHS, the ePayroll initiative involved the consolidation of DHS payroll systems into one payroll system at the National Finance Center (NFC). The ePayroll effort in FY 2005 involved the migration of 70,000 DHS employee records (USCG, TSA and the Federal Air Marshal Service [FAMS]) to the new payroll system, which represented a substantial portion of DHS. Not only were these employee records migrated to the new payroll system, but TSA, USCG and FAMS moved over to the new Time & Attendance and PeopleSoft personnel systems.

All HR system implementations will be deployed in a phased approach in order to leverage resources and obtain component support for each implementation activity. This approach also affords the team the ability to apply lessons learned from each phased rollout, in order to fine tune the end-state product. Planned projects in FY 2006 and FY 2007, such as eRecruitment which targets outdated recruitment processes and related HR systems with the goal to consolidate and modernize this area of HR systems and processes, continue to follow the HCBS acquisition and deployment approach.

eGov Initiatives: The eGov Program Oversight (EPO) is responsible for securing the success of meeting identified e-Gov milestones and objectives. The ultimate goal of the EPO is to ensure that the Department's IT systems and the supporting investments are aligned and/or consolidated with eGov initiatives and lines of business (LoB) and the Federal Enterprise Architecture. The eGov Project Manager is responsible for developing policy and establishing procedures related to the requirements of the eGovernment Act of 2002, the President's Management Agenda, and related Federal guidance. The Project Manager serves as the Department's focal point for all matters related to the President's Management Agenda (PMA) and e-Government initiatives and is responsible for developing and executing an eGovernment Strategic Plan. The Project Manager is also responsible for working with designated subject matter experts and selected points of contact, to ensure the Department's eGovernment Program is in compliance with legislative mandates. In addition the project manager ensures that issues and concerns with individual projects are escalated appropriately in a timely manner and assists all parties in clearing barriers that may be prohibiting them from successfully completing their tasks in a timely manner. The EPO will be the entity responsible for coordinating the two eGov initiatives for which DHS is the Managing Partner, while working with the Managing Partners of other

initiatives and LoBs that are managed by other government agencies. Responsibilities of the EPO also include activity management, performance management, risk management, issue management, and other support activities. The EPO is responsible for responding to the Office of Management and Budget (OMB) data calls and requests.

DHS will perform a comprehensive analysis of all of its information systems in relation to eGov initiatives and LoBs. A transition strategy will be developed, in compliance with the Homeland Security Enterprise Architecture, for those services that can be delivered as a shared service by eGov initiatives. DHS will identify existing information systems that may be candidates for LoB centers of excellence. Specific eGov integration opportunities that have already been identified include the integration of GSA's eAuthentication capability with the DHS Disaster Management and eLearning programs, coordination with the Consolidated Health Informatics including EA alignment review and reporting and coordination with USA Services by conducting an inventory of DHS call centers and analyzing call center procedures.

Identity and Credentialing (Smartcard): The Smartcard program supports development and maintenance of strong, high-quality and interoperable credentials for authorized users of DHS facilities and systems, including compliance with Homeland-Security Presidential Directive (HSPD) 12, *Policy for a Common Identification Standard for Federal Employees and Contractors*. This program supports the CIO strategic goals of improving both cyber security and information sharing. The DHS strategy for digital credentials addresses physical and cyber identification with a single, interoperable Smartcard that can be recognized by building-access systems and is interoperable with DHS computer systems. The DHS strategy also provides for interoperable authentication to resources of DHS, DoD and other Federal Agencies, and first responders.

The Smartcard program will also mitigate one of the most difficult problems facing any information-services provider: maintaining a current and accurate list of authorized users. By centralizing authentication and authorization data and providing a unified single sign-on capability for validated users, the program will lower costs and improve security of information sharing.

In FY 2007, the Department will begin the first significant issuance of HSPD-12-compliant Personal Identity Verification II (PIV II) credentials, beginning with DHS headquarters card issuance pilot and enabling initial applications for cyber access using the PIV II credential.

In FY 2006, the Smartcard program will provide a minimum level of support to preserve the Federal Bridge certification of the Digital Identity Management Center (DIMC). The DIMC is the DHS Public Key Infrastructure (PKI) root certificate authority and is Federal Bridge cross-certified (a requirement for compliance with HSPD-12/FIPS 201). Currently, Immigration Customs Enforcement (ICE) is the steward for the DIMC initiative.

These smart card credentials provide strong authentication of the identification of the card bearer and proof that the credentials are still valid, i.e. they have not been revoked. Relying parties determine specific cyber and physical access controls and privileges to be granted based on the strength of the credential (medium assurance level).

COMSEC Modernization: Communications Security (COMSEC) Modernization supports the Department's activities for acquisition and fielding of replacement communications security equipment, and technical training for equipment installers, maintainers, users, and custodians. The

program provides for mandatory equipment upgrades dictated by the National Security Agency (NSA) to ensure a viable and integrated program that enables the Department to communicate securely internally and externally to federal, state and local government entities. This initiative establishes regional technical training on new COMSEC equipment used to secure transmission of the Department's classified National Security, Terrorist Threat and Intelligence Information.

COMSEC Modernization supports the acquisition and fielding of the following assets: 240 High Assurance Internet Protocol Encryption (HAIPE) upgrades for TACLANEs (KG-175s) and 300 new secure DTD 2000 systems (SDS) to replace obsolete data transfer devices. In addition, DHS must obtain 20 Local Management Devices/Key Processors (LMD/KPs) and 10 Local Management Devices so that classified keying material can be shared electronically with the Components.

NSA HAIPE upgrades to the TACLANE (KG-175s) give DHS classified systems the ability to communicate internally and ensure information sharing with our business partners. Terrorist threat information will be shared electronically.

Other encryption devices are also scheduled for replacement in the near future such as RASP (used for remote access to classified networks), KG-84 data encrypters, KIV-7 ATM data encrypters, KG-194 bulk encrypters, AN/CYZ-10V3 data transfer devices, STU IIIR devices for secure teleconferencing bridges, and KY-57s for aircraft radio encryption will be handled in this program.

PPA: SECURITY ACTIVITIES

	Perm Pos	FTE	Amount
2005 Actual			**$24,816**
2006 Revised Enacted			**18,810**
2007 Adjustments-to-Base			(13)
2007 Current Services			**18,797**
2007 Program Change			45,342
2007 Request			**64,139**
Total Change 2006-2007			45,329

CURRENT SERVICES PROGRAM DESCRIPTION:

Security Activities provides for the integration and protection of sensitive DHS information and supports the terrorist watch list integration, which establishes operational system interfaces for DHS organizations that receive data from the Terrorist Screening Center (TSC). This activity supports Homeland Security Presidential Directives (HSPDs) 6 and 11, and conforms to Executive Order 13356 (Terrorism Information Sharing Environment).

Terrorist Watch List Integration: The DHS Watch List Technical Integration Program is responsible for technology integration and limited operational support to enhance terrorist screening systems and processes in DHS. Consistent implementation of terrorist screening decreases the likelihood of missed opportunities to thwart terrorist attacks, and increases citizen satisfaction in their interaction with DHS

screeners. The DHS Watch List Integration program will provide to current and new DHS screening operations real-time, reliable, consistent and policy-compliant updated records regarding individuals known or appropriately suspected to be or have been engaged in conduct constituting, in preparation for, in aid of, or related to terrorism. The Watch List Technical Integration program will support screening operations by coordinating additional identifying information to be included in the Watch List by the National Counter-Terrorism Center (NCTC) and the TSC, or available from sources within DHS.

Information Security & Infrastructure: The Infrastructure Transformation Program (ITP) was established in the spring of 2004 as part of an effort by the DHS Secretary to centrally manage services, including information technology (IT), across all components of DHS. The primary objective of the ITP is to provide IT infrastructure products and services, enabling DHS business units to accomplish their missions. The specific requirements of the ITP are to remove lag time and complexity in accessing data, to create a platform on which to quickly launch new capabilities, and provide a cost-effective, secure, and reliable IT infrastructure. Meeting these requirements will result in improved information sharing across the Department.

In May 2004, the DHS CIO Council identified infrastructure projects for priority implementation based on the following criteria: achieving strategic goals, improving customer satisfaction, and reducing overall IT infrastructure cost. Those project service areas (domains) were Network, Data Center, Email, Help Desk and Related Services, Desktop, Site, Video, Voice, and Wireless. Upon Second Stage Review by the Deputy Secretary, the ITP and DHS CIO Council developed an operations model for these domains based upon centralized governance and oversight and decentralized execution.

Of these domains, currently four are active – Network, Data Center, Email and Video.

By accomplishing these objectives, the ITP will improve information sharing via an enterprise-wide, consolidated IT infrastructure supporting all of DHS' strategic goals and business objectives: awareness, prevention, protection, response, recovery, service and organizational excellence. Paramount to meeting DHS' strategic goals is the ability to gather, distribute and share both tactical and strategic intelligence and other information throughout the organization. Mission and business applications running on a homogeneous, integrated IT infrastructure will facilitate the sharing of data from any point to point within DHS. In addition, DHS will realize significant cost savings through the consolidation of assets as well as through procurement savings.

The ITP specifically supports two of the five objectives set by the DHS CIO:

CIO Strategic Objective #2 – Improved infrastructure and consolidation, and
CIO Strategic Objective #5 – Improved information sharing and data collaboration/integration

The DHS Infrastructure Transformation Program includes the following main business processes:

1. Oversight of the IT infrastructure base within the existing DHS components.
2. Transformation of the disparate IT infrastructure capabilities into a standardized and interoperable DHS IT infrastructure in all areas.
3. Enhancement of the DHS IT infrastructure via future capital Investments.
4. Strategic planning for the implementation of future IT infrastructure projects.

PPA: WIRELESS PROGRAM

	Perm Pos	FTE	Amount
2005 Actual			**$97,690**
2006 Revised Enacted			**85,140**
2007 Adjustments-to-Base			1,298
2007 Current Services			**86,438**
2007 Program Change			0
2007 Request			**86,438**
Total Change 2006-2007			1,298

CURRENT SERVICES PROGRAM DESCRIPTION:

The Wireless Management Office (WMO) was established under DHS Management Directive 4100 with, "the purpose ... to set forth wireless technology policy and overall DHS goals in an effort to improve homeland security while reducing technology costs." The WMO goal is to oversee the effective operation, management, budgeting, and procurement of all department-wide wireless technology, policies performance metrics and standards for DHS as it pertains to homeland security and maritime safety. In addition, the WMO works with other federal agencies to identify common requirements and to develop and procure joint solutions that promote communications interoperable for day-to-day and emergency operations. The Wireless programs support both DHS wireless voice and data communications requirements.

In FY 2006, the WMO received funding in the following three appropriations categories:

- Replace Legacy Border Components
- New Investments in Radio Infrastructure – Borders
- Infrastructure Optimization and Upgrade

Funding associated with the three appropriations categories supports activities across key programs managed by the WMO — the Integrated Wireless Network (IWN) and Technical Operations Support (TOS). The WMO will build upon the capabilities established in prior years and continue to focus on narrowband upgrades and infrastructure consolidation initiatives. These initiatives align with funding appropriations categories and map to the FY 2006 goals and objectives of the Office of the CIO.

Replace Legacy Border Components: WMO supports the operation and maintenance (O&M) of DHS components' wireless systems nationwide, with emphasis on requirements in legacy wireless systems in the border areas. This initiative provides mission-critical tactical wireless communications support to DHS users.

New Investments in Radio Infrastructure – Borders: Activities within the New Investment in Radio Infrastructure Borders are focused on the IWN program. IWN provides system integration and related equipment, products, and services to support the modernization and upgrade of DHS components' current separate wireless communications systems. The IWN provides a more cost-

effective convergence and transition of DHS components' wireless communication environment. The IWN provides state-of-the-art, digital, encrypted, standards-based wireless communications products and services used by federal agents and officers to support their mission-critical law enforcement, protective services, homeland defense, and disaster response activities across the Nation. This initiative encompasses tactical wireless communications and the application of emerging technologies pertaining to domestic law enforcement and counter/anti-terrorist operations (including missions in the U.S. Territories), and first responders. The scope of this effort includes new tactical wireless systems and legacy systems in terrestrial, aeronautical, and maritime environments. The IWN is managed by the Joint Program Office, a collaborative initiative among the DHS, Justice (DOJ), and the Treasury.

The benefits of implementing the IWN as a joint initiative include: (1) improved interoperability through common design and standards; (2) cost savings through shared spectrum, shared infrastructure, shared operations and maintenance; and (3) economies of scale, and more favorable pricing through consolidated procurements.

IWN activities support the following FY 2006 initiatives:

Initiative 1: Expand the IWN (New Investments in Radio Infrastructure – Borders)

Initiative 2: Execute IWN acquisition strategy (New Investments in Radio Infrastructure – Borders); evaluate system integrator proposals and award the design of the IWN in the first service area (i.e., Southwest border region).

Initiative 3: Acquire wireless subscriber units and infrastructure equipment interoperable with DHS wireless standards and requirements (New Investments in Radio Infrastructure – Borders).

- Mission Essential Modernization and Upgrades – Identify, prioritize, and address components' mission-essential gaps in existing wireless capabilities.
- Acquire and deploy digital narrowband subscriber units to DHS agents and officers to enhance communications capabilities by replacing outdated analog equipment.

Initiative 4: Continue development of a wireless component of DHS Enterprise Architecture (EA) to enhance: requirements and solutions integration; configuration management; asset visibility; and tracking and reporting of program performance. Update and expand the DHS EA Technical Reference Model (TRM) to ensure standardization of wireless throughout DHS as well as to facilitate improved interoperability with other federal, state, local, and tribal entities.

Infrastructure Optimization and Upgrade: This initiative provides additional DHS WMO support to the IWN program as well as support to the TOS program. The activities are described in the following four areas.

- Operational, Technical, & Program Support – consists of the following WMO support activities:

  — Wireless Operational Support - Acquire wireless communications equipment and support for DHS headquarters elements (e.g., Homeland Security Operations Center (HSOC)) in support of contingency/crisis/disaster response operations (Infrastructure Optimization and Upgrade).

— Technical Operations Support (TOS) - Addresses the migration of body wire systems to a digital environment for the core TOS DHS components: Immigrations and Customs Enforcement (ICE), U.S. Secret Service (USSS), Federal Law Enforcement Training Center (FLETC) and the Office of Security. This digital conversion replaces clear audio transmission with Low Probability of Interception (LPI)/ Low Probability of Detection (LPD) spread spectrum technology (addressing key security vulnerability), improves range and voice clarity, and provides digital voice and metadata for improved analysis capability. Lastly, TOS addresses deployment of video and tracking tools used to conduct investigations.

Technical Investigative (TI) equipment promotes officer safety and greatly increases evidence gathering capabilities. Tactical intercept of criminal activities using body wires enables law enforcement officers to capture tangible evidence. The result of this coordinated use of TI assets is that violent crime is reduced and illegal assets are seized.

— WMO Program Support – Provides planning, communications, reporting, procurement activities, financial management, portfolio management, and other administrative support to the WMO.

- Spectrum and Frequency Management - Support to manage spectrum related activities including meetings and forums, certification requests, etc.; as well as fees paid to the National Telecommunications and Information Administration (NTIA).

- FPIC Support – Provide technical and operational support for the Federal Partnership for Interoperable Communications (FPIC).

- WMO Facilities and Asset Management– Provides resources towards WMO facilities, IT infrastructure upgrades, and other asset management support efforts.

Spectrum Relocation: In December 2004, the Congress passed and the President signed the Commercial Spectrum Enhancement Act (CSEA, Title II of P.L. 108-494), requiring the relocation of Federal systems from certain spectrum bands to accommodate non-Federal use, and creating the Spectrum Relocation Fund (SRF) to facilitate reimbursement to affected agencies of relocation costs. The National Telecommunications and Information Administration (NTIA) are tasked with coordinating agency relocation. OMB is tasked with administering the SRF.

PPA: HOMELAND SECURE DATA NETWORK

	Perm Pos	FTE	Amount
2005 Actual			**$46,199**
2006 Revised Enacted			**32,699**
2007 Adjustments-to-Base			(45)
2007 Current Services			**32,654**
2007 Program Change			0

2007 Request	**32,654**
Total Change 2006-2007	(45)

CURRENT SERVICES PROGRAM DESCRIPTION:

The Homeland Secure Data Network (HSDN) is a classified wide-area network for DHS and its components, with specific and controlled interconnections to the intelligence community and federal law enforcement resources. HSDN provides a pathway for secure information to reach federal agencies that are involved in homeland security. With HSDN capabilities, DHS has the ability to collect, disseminate and exchange both tactical and strategic intelligence information throughout DHS and DHS partners.

During FY 2005, HSDN achieved Initial Operational Capability and Interim Authority to Connect by building the core system network (i.e. wide area network, primary data center, help desk, network and security operations centers); fielding approximately 56 DHS component field sites; and establishing connection to the Secret Internet Protocol Routed Network (SIPRNet). The FY 2006 current program base maintains and builds upon HSDN capabilities deployed during FY 2005. The current base provides for:

- Operations and maintenance of the core system network (i.e. wide area network, primary data center, help desk, network and security operations centers) and an installed base of DHS component field sites, consisting of approximately 60 sites and 540 seats.
- Performing necessary updates and technology improvements to the baseline HSDN system in order to improve system availability, customer service/satisfaction and to comply with established service level agreements. Includes special projects such as organizational messaging and redundant SIPRNet connections.
- Continuing the transition of DHS legacy secret sites into the HSDN system capabilities and deployment of additional HSDN field sites to DHS components.
- Continuing efforts to increase the end-user base through outreach to Other Government Agencies (OGAs) at the Federal and State government levels.
- Improvement in overall system-wide operational costs and efficiencies to reduce overall system life cycle costs.
- Maintaining effective program management oversight to ensure that HSDN complies with DHS, OMB and Congressional mandates.

The HSDN system will provide key benefits/outcomes toward supporting homeland security. These benefits/outcomes include:

- Access to secure, classified data and information for conducting daily operations of surveillance, monitoring, interdiction, situational awareness, predictive analysis and decision making, emergency management, and federal law enforcement associated with homeland security.
- A reliable and scaleable network capable of supporting the growth and evolution of the DHS mission.
- A secure, classified network that meets Certification and Accreditation (C&A) for classified information systems and meets all DHS system security policies, processes, standards procedures and direction.

- Consolidating stove-piped, outdated and inefficient legacy secret-classified networks into a single infrastructure that modernizes and streamlines the classified data capabilities of DHS. This infrastructure consolidation facilitates high quality and high-value classified data communication and collaboration within DHS and with other federal agencies and organizations.

IV. Program Justification of Changes

Department of Homeland Security
Office of the Chief Information Officer
Justification of Program Changes
(Dollars in Thousands)

Program Increase 1: Information Security & Infrastructure

Strategic Goal(s) & Objective(s): 7.3: Continually improve our way of doing business
PPA: Security Activities

Program Increase: Positions 0 FTE 0 Dollars $36,342

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	8,910
Program Increase							0	0	36,342
Total Request	**0**	**0**	**$9,000**	**0**	**0**	**$8,910**	**0**	**0**	**45,252**

Description of Item
In FY 2007, the OCIO Information Security and Infrastructure account program increase of $36,342,000 will fund Department IT Infrastructure Transformation Program (ITP) capital investments. The additional funds will support the integration of DHS IT infrastructures of the 22 legacy components into "One Infrastructure" and will eliminate duplicative infrastructures and provide common capabilities and services for all components to leverage.

In FY 2007, the ITP will leverage the increase in funds to improve the telecommunications capabilities of the National Center for Critical Information Processing and Storage. Funds will also be used to build-out the infrastructure required to support an enterprise-wide active directory and email system focused on easing administrative overhead while improving DHS' ability to oversee the capability from a central point and at the same time supporting local control.

Also in FY 2007, the ITP will leverage the increase in funds to implement an active-active Security Operations Centers (SOC) environment by completing the build-out of a second SOC, along with continuing our effort to implement an active-active Network Operations Center (NOC) environment by investing in the development of a second NOC. The ITP will also finalize the initial build of a test lab/modeling environment, which will be used to ensure acceptable network performance levels are maintained as DHS continues to move towards "One Infrastructure."

Justification
The $36,342,000 increase in the FY07 request is required to fund new investments in the IT Infrastructure Transformation Program (ITP), which will integrate the Department's IT infrastructure in a manner consistent with the Deputy Secretary's recent directive (see attached memorandum dated 7/11/2005). The ITP is a DHS Level 1 investment (>$50 million and critical to the Department) with the objective to achieve "One Infrastructure," which is consistent with DHS' Strategic Planning

Priority #1: "Stronger Information Sharing and Infrastructure Protection." The ITP projects a 10 percent return on investment over the ten year lifecycle of the investment.

The $36,342,000 increase will be used for investments in establishing the Department's enterprise capabilities to include development of an enterprise wide user authentication capability into mission and enterprise applications through the email services project, and continue building out an enterprise network and security operations center environment and completion of a test lab/modeling environment in the network services project.

Funding will be applied to investments in establishing a common IT infrastructure environment within the network, email, and data center services areas. These investments will enable DHS to host multiple mission-specific and enterprise applications. In addition, it will serve as the foundation for information sharing and agile responses to threats against the homeland and provide universal access to DHS users.

ITP investments will incorporate requirements outlined in the security architecture established by the Information Security Program.

Impact on Performance (Relationship of Increase to Strategic Goals)
The ITP directly supports Strategic Goal 7.2: Integrate legacy services within the Department to improve efficiency and effectiveness and the DHS' FY 2005 Strategic Planning Priorities #1: Stronger Information Sharing and Interoperability and #7: 21st Century Department—One Network. The increase in FY 2007 Information Security and Infrastructure funds for the ITP will result in better performance of IT infrastructure assets through improved enterprise network reliability, availability, maintainability and survivability and will serve to improve DHS' information sharing capability with other Federal, state, local, and tribal governments and first responders.

Following the investment of FY2007's fund increase, the capability for improving the operations and maintenance of standardized systems will increase and lead to the reduction of the time and practices associated with responding to trouble calls and the lowering of costs by taking advantage of continuous improvements in cost and capacity in the technology industry.

Failure to fund this fund increase would impact the Department's ability to establish a common IT infrastructure environment upon which critical DHS programs such as USCG's Rescue 21, and US VISIT's screening capability, rely on to provide the foundation they will leverage to satisfy mission objectives. This failure to fund the increase would severely handicap the Department's ability to carry out mission objectives by not leveraging information collected and validated at a single entry point throughout the enterprise. This requires additional resources to duplicate record entry as well as overhead to ensure the accuracy and reliability of the information. It would also result in the inability of the program office to oversee the implementation of a program that is critical to DHS' communications response in case of a catastrophic or terrorist event.

Program Increase 2: Data Center Development

Strategic Goal(s) & Objective(s): 7.3: Continually improve our way of doing business
PPA: Security Activities

Program Increase: Positions 0 FTE 0 Dollars $9,000

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	$0
Program Increase							0	0	9,000
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$9,000**

Description of Item
The Infrastructure Transformation Program (ITP) was established in the spring of 2004 as part of an effort by the DHS Secretary to centrally manage services, including IT, across all components of DHS. The primary objective of the ITP is to provide IT infrastructure products and services, enabling DHS business units to accomplish their missions. The specific requirements of the ITP are to remove lag time and complexity in accessing data, to create a platform on which to quickly launch new capabilities, and provide a cost-effective, secure, and reliable IT infrastructure. Meeting these requirements will result in improved information sharing across the Department. As such developing Data Center capabilities plays a critical role within the ITP.

The objective of the Data Center Development is to establish an environment upon which DHS will be able to co-locate and consolidate mission-specific and enterprise applications from sixteen data centers down to two as well as support new requirements as they arise.

Justification
The $9,000,000 increase will enable the ITP to continue on a minimal level of effort to build-out useable floor space for hosting applications within the National Center for Critical Information Processing and Storage (NCCIPS) to support the enterprise data management needs of the Department. This funding is required to continue the build-out of the Department's initial Data Center which provides the foundation for information sharing and agile responses to threats against the homeland.

Failure to fund this requirement would severely impact the Department's ability to establish a common IT infrastructure environment upon which critical DHS programs such as, US VISIT's screening capability.

Impact on Performance (Relationship of Increase to Strategic Goals)
The increase will support the build out of an additional 8% of the Department's initial Data Center and increase the Data Center's total completion percentage to 68% in FY 2007.

The ITP directly supports Strategic Goal 7.3: Continually improve our way of doing business and the DHS' FY 2005 Strategic Planning Priorities #1: Stronger Information Sharing and Infrastructure Protection. The Department's efforts in this area have already been hampered due to the impact hurricane Katrina had on the build out of the NCCIPS facility, resulting in a critical shortage of floor

space to host these systems. Failure to fund this increase would perpetuate the Department's lack of Continuity of Operations (COOP) capability as identified in DHS Inspector General reports and compromise the Department's communications response in case of a catastrophic or terrorist event.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Office of the Chief Information Officer
Justification of Proposed Changes in the
Appropriation Language

For necessary expenses of the Office of the Chief Information Officer, as authorized by section 103 of the Homeland Security Act of 2002 (6 U.S.C. 113), and Department-wide technology Investments, [$294,257,000] ***$323,765,000***; of which [$74,999,000] ***$79,521,000*** shall be available for salaries and expenses; and of which [$219,258,000] ***$244,244,000*** shall be available for development and acquisition of information technology equipment, software, services, and related activities for the Department of Homeland Security, and for the costs of conversion to narrowband communications, including the cost for operation of the land mobile radio legacy systems, to remain available until expended: *Provided*, That none of the funds appropriated shall be used to support or supplement the appropriations provided for the United States Visitor and Immigrant Status Indicator Technology project or the Automated Commercial Environment.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Office of the Chief Information Officer
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**82**	**65**	**$259,331**
2006 Revised Enacted	**78**	**78**	**294,257**
Adjustments-to-Base			
Transfers to and from other accounts: *(Hide if there are no transfers)*			
Transfer - FTE due to the 2SR (second stage review)	3	3	412
Transfer - Emerge2	---	---	(17,820)
Total Transfers	3	3	(17,408)
Increases			
2007 pay increase	---	---	301
Realignment - Salaries and Expenses	6	6	3,066
Non-pay inflation excluding GSA Rent	---	---	2,065
Total Increases	6	6	5,432
Decreases			
Technical Adjustment - Information Technology Services	---	---	(3,858)
Total Decreases	---	---	(3,858)
Total Adjustments-to-Base	**9**	**9**	**(15,834)**
2007 Current Services	**87**	**87**	**278,423**
Program Changes			
Program Increases/(Decreases)			
Information Security & Infrastructure	---	---	36,342
Data Center Development	---	---	9,000
Total Program Changes	**---**	**---**	**45,342**
2007 Request	**87**	**87**	**323,765**
2006 to 2007 Total Change	**9**	**9**	**29,508**

C. Summary of Requirements

Department of Homeland Security
Office of the Chief Information Officer
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	82	65	259,331
2006 Revised Enacted	78	78	294,257
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	3	3	(17,408)
Increases	6	6	5,432
Decreases	---	---	(3,858)
Total Adjustments-to-Base	9	9	(15,834)
2007 Current Services	87	87	278,423
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	---	---	45,342
2007 Total Request	87	87	323,765
2006 to 2007 Total Change	9	9	29,508

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Salaries and Expenses	78	78	$74,999	9	9	$4,522	---	---	$0	87	87	$79,521	9	9	$4,522
2 Information Technology Services	---	---	82,609	---	---	(21,596)	---	---	---	---	---	61,013	---	---	(21,596)
3 Security Activities	---	---	18,810	---	---	(13)	---	---	45,342	---	---	64,139	---	---	45,329
4 Wireless Program	---	---	85,140	---	---	1,298	---	---	---	---	---	86,438	---	---	1,298
5 Homeland Secure Data Network	---	---	32,699	---	---	(45)	---	---	---	---	---	32,654	---	---	(45)
Total	78	78	$294,257	9	9	($15,834)	---	---	$45,342	87	87	$323,765	9	9	$29,508

D. Summary of Reimbursable Resources

D: Summary of Reimbursable Resources

Department of Homeland Security
Office of the Chief Information Officer
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Revised Enacted			2007 Estimate *			Increase/Decrease *		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Department of Defense	---	---	$340	---	---	$0	---	---	$0	---	---	---
US VISIT	---	---	2,800	---	---	---	---	---	---	---	---	---
Under Secretary for Prepardness Directorate	---	---		---	---	500	---	---	---	---	---	(500)
Operations Coordination & Intel and Analysis	---	---	---	---	---	500	---	---	---	---	---	(500)
Science & Technology Directorate	---	---	---	---	---	500	---	---	---	---	---	(500)
Domestic Nuclear Detection Office (DNDO)	---	---	---	---	---	500	---	---	---	---	---	(500)
Departmental Operations	---	---	---	---	---	600	---	---	---	---	---	(600)
Office of State and Local Government and Preparedness	---	---	---	---	---	300	---	---	---	---	---	(300)
Total Budgetary Resources	---	---	**3,140**	---	---	**2,900**	---	---	---	---	---	**(2,900)**

Obligations by Program/Project Activity	2005 Actual			2006 Revised Enacted			2007 Estimate *			Increase/Decrease *		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
Salaries and Expenses	---	---	$340	---	---	$2,900	---	---	$0	---	---	(2,900)
Wireless Program	---	---	2,800	---	---	---	---	---	---	---	---	---
Total Obligations	---	---	**3,140**	---	---	**2,900**	---	---	---	---	---	**(2,900)**

* Note: OCIO had not estimated FY 2007 reimbursables at the time of creating this table.

E. Summary of Requirements by Object Class

Department of Homeland Security
Office of the Chief Information Officer
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$6,413	$9,117	$10,277	$1,160
11.3 Other than full-time permanent	235	334	358	24
11.5 Other Personnel Compensation	154	219	235	16
11.8 Special Service Pay	1,163	2,614	2,795	181
12.1 Benefits	1,643	3,420	3,883	463
13.0 Benefits - former	---	---	---	---
Total, Personnel Comp. & Benefits	**$9,608**	**$15,704**	**$17,548**	**$1,844**
Other Object Classes:				
21.0 Travel	310	397	472	75
22.0 Transportation of things	21	22	23	1
23.1 GSA rent	---	5,816	6,054	238
23.2 Other rent	14	15	15	---
23.3 Communications, utilities, & other misc. charges	134	24,511	24,581	71
24.0 Printing and reproduction	---	44	44	1
25.1 Advisory and assistance services	80,102	65,291	93,260	27,969
25.2 Other services	25,144	29,330	22,845	(6,485)
25.3 Purchases of goods & svcs. from Gov't accounts	94,280	83,638	89,367	5,730
25.4 Operation & maintenance of facilities	25	22	22	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	19,406	43,185	42,767	(418)
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	179	200	205	5
31.0 Equipment	27,108	23,472	23,909	437
32.0 Land & structures	3,000	2,612	2,652	40
41.0 Grants/Subsidies/Contributions	---	---	---	---
42.0 Indemnity	---	---	---	---
43.0 Interest & dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$249,723**	**$278,553**	**$306,217**	**$27,664**
Total, Direct Obligations	**$259,331**	**$294,257**	**$323,765**	**$29,508**
Unobligated budget expiring	1,505			
Unobligated balance, end of year	48,529			
Unobligated balance, start of year		16,248		
Total requirements	**$309,365**	**$310,505**	**$323,765**	

F. Permanent Positions by Grade

Department of Homeland Security
Office of the Chief Information Officer
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	8	7	7	---
Total, EX				---
GS-15	37	37	42	5
GS-14	23	25	29	4
GS-13	9	8	8	---
GS-12	1	1	1	---
GS-11				
GS-10				
GS-9				
GS-8				
GS-7				
GS-6				
GS-5				
GS-4				
GS-3				
GS-2				
Other Graded Positions				
Ungraded Positions				
Total Permanent Positions	**78**	**78**	**87**	**9**
Unfilled Positions EOY				---
Total Perm. Employment EOY				---
FTE	**65**	**78**	**87**	**9**
Headquarters	65	78	87	9
U.S. Field				---
Foreign Field				---
Total Permanent Positions	**65**	**78**	**87**	**9**
Average ES Salary	$ 135	$ 149	$ 151	$ 2
Average GS Salary	$ 102	$ 109	$ 110	$ 1
Average GS Grade	14.70	14.70	14.70	---

G. Capital Investment and Construction Initiative Listing

Office of the Chief Information Officer

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
Office of the Chief Information Officer
Salaries and Expenses
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$6,413	$9,117	$10,277	$1,160
11.3	Other than perm	235	334	358	24
11.5	Other per comp	154	219	235	16
11.8	Spec Srvc Pay	1,163	1,653	1,772	119
12.1	Benefits	1,643	3,420	3,883	463
13.0	Benefits-former	---	---	---	---
21.0	Travel	236	315	315	---
22.0	Transportation of things	21	22	23	1
23.1	GSA rent	---	1,482	1,487	5
23.2	Other rent	14	15	15	---
23.3	Communication, Utilities, and misc charges	111	19,929	20,106	177
24.0	Printing		30	30	---
25.1	Advisory & Assistance Services	23,179	14,775	15,933	1,158
25.2	Other Services	1,937	2,307	2,400	93
25.3	Purchase from Govt. Accts.	20,829	14,143	14,971	828
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	227	238	248	10
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	129	135	141	6
31.0	Equipment	10,194	6,865	7,327	462
32.0	Land & Structures	---	---	---	---
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Investigations - Operations		**$66,485**	**$74,999**	**$79,521**	**$4,522**
Full Time Equivalents		65	78	87	9

PPA Mission Statement

A crosscutting program that provides technology-management, shared services, acquisition strategy, executive leadership support, process development, and business transformation to several offices within the DHS Office of the CIO.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$9,608**	**$14,743**	**$16,525**	**$1,782**

Salaries and Benefits includes costs for 83 FTEs. The FY 2007 change is due to an inflationary increase.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$236**	**$315**	**$315**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$21**	**$22**	**$23**	**$1**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 change is due to an inflationary increase.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$1,482**	**$1,487**	**$5**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$14**	**$15**	**$15**	**$0**

Other rent includes all payments to a non-Federal source for rental space, land, and structures.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$111**	**$19,929**	**$20,106**	**$177**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	**$0**	**$30**	**$30**	**$0**

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$23,179**	**$14,775**	**$15,933**	**$1,158**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$1,937**	**$2,307**	**$2,400**	**$93**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$20,829**	**$14,143**	**$14,971**	**$828**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$227**	**$238**	**$248**	**$10**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$129**	**$135**	**$141**	**$6**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$10,194**	**$6,865**	**$7,327**	**$462**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 change is due to an inflationary increase and technical adjustment.

Department of Homeland Security
Office of the Chief Information Officer
Information Technology Services
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec Srvc Pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	7	8	6	(2)
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	1,633	1,141	(492)
23.2	Other rent	---	---	---	---
23.3	Communication, Utilities, and misc charges	18	21	16	(5)
24.0	Printing	---	---	---	---
25.1	Advisory & Assistance Services	25,287	28,112	20,367	(7,745)
25.2	Other Services	22,314	26,248	19,615	(6,633)
25.3	Purchase from Govt. Accts.	15,357	18,064	13,499	(4,565)
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	727	855	639	(216)
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	6,519	7,668	5,730	(1,938)
32.0	Land & Structures	---	---	---	---
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Investigations - Operations		**$70,229**	**$82,609**	**$61,013**	**($21,596)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

A program which supports development, implementation, and maintenance of a comprehensive and integrated Enterprise Architecture, the integration of the Department's financial management system activities (eMerge2), the information technology framework for the Department's Human Resources System (including MaxHR), geospatial technologies, and information sharing.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$7**	**$8**	**$6**	**($2)**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 change is due to the technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$1,633**	**$1,141**	**($492)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$18**	**$21**	**$16**	**($5)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 change is due to the technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$25,287**	**$28,112**	**$20,367**	**($7,745)**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 change is due to the technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$22,314**	**$26,248**	**$19,615**	**($6,633)**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 change is due to the technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$15,357**	**$18,064**	**$13,499**	**($4,565)**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 change is due to the technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$727**	**$855**	**$639**	**($216)**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 change is due to the technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$6,519**	**$7,668**	**$5,730**	**($1,938)**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 change is due to the technical adjustments.

Department of Homeland Security
Office of the Chief Information Officer
Security Activities
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec Srvc Pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	35	27	90	63
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	371	1,199	828
23.2	Other rent	---	---	---	---
23.3	Communication, Utilities, and misc charges	---	4,283	4,168	(115)
24.0	Printing	---	---	---	---
25.1	Advisory & Assistance Services	18,996	9,744	43,796	34,052
25.2	Other Services	24	18	62	44
25.3	Purchase from Govt. Accts.	4,777	3,621	12,292	8,671
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	---	---	---
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	---	---	---	---
31.0	Equipment	984	746	2,532	1,786
32.0	Land & Structures	---	---	---	---
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Investigations - Operations		**$24,816**	**$18,810**	**$64,139**	**$45,329**
Full Time Equivalents		---	---	---	---

PPA Mission Statement
A set of programs that provide for the integration and protection of sensitive DHS information.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$35**	**$27**	**$90**	**$63**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 change is due to technical adjustments and program increases.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$371**	**$1,199**	**$828**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$0**	**$4,283**	**$4,168**	**($115)**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 change is due to a change in the Working Capital Fund.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$18,996**	**$9,744**	**$43,796**	**$34,052**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 change is due to technical adjustments and program increases.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$24**	**$18**	**$62**	**$44**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 change is due to technical adjustments and program increases.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$4,777**	**$3,621**	**$12,292**	**$8,671**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 change is due to technical adjustments and program increases.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$984**	**$746**	**$2,532**	**$1,786**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 change is due to technical adjustments and program increases.

Department of Homeland Security
Office of the Chief Information Officer
Wireless Program
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec Srvc Pay	---	---	---	---
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	32	28	28	---
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	1,684	1,616	(68)
23.2	Other rent	---	---	---	---
23.3	Communication, Utilities, and misc charges	5	4	4	---
24.0	Printing	---	---	---	---
25.1	Advisory & Assistance Services	12,640	9,321	9,534	213
25.2	Other Services	869	757	768	11
25.3	Purchase from Govt. Accts.	53,317	46,411	47,137	726
25.4	Operation & maintenance of facilities	25	22	22	---
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	18,452	16,064	16,313	249
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	50	44	44	---
31.0	Equipment	9,411	8,193	8,320	127
32.0	Land & Structures	3,000	2,612	2,652	40
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Investigations - Operations		**$97,801**	**$85,140**	**$86,438**	**$1,298**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

A program whose mission it is to ensure the effective operation, management, budgeting, and procurement of all wireless technology department-wide, and the development of policy and wireless program performance metrics and standards for DHS.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	**$32**	**$28**	**$28**	**$0**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$0**	**$1,684**	**$1,616**	**($68)**

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	**$5**	**$4**	**$4**	**$0**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$12,640**	**$9,321**	**$9,534**	**$213**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 change is due to an inflationary increase.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Other Services	**$869**	**$757**	**$768**	**$11**

Other services include report contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 change is due to an inflationary increase.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$53,317**	**$46,411**	**$47,137**	**$726**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 change is due to an inflationary increase.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & maintenance of facilities	**$25**	**$22**	**$22**	**$0**

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$18,452**	**$16,064**	**$16,313**	**$249**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 change is due to an inflationary increase.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$50**	**$44**	**$44**	**$0**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Equipment	**$9,411**	**$8,193**	**$8,320**	**$127**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 change is due to an inflationary increase.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Land & Structures	**$3,000**	**$2,612**	**$2,652**	**$40**

Land and structures includes the costs for land and interests in land, buildings and other structures, roads, additions to buildings, nonstructural (or resource) improvements such as fences and landscaping, and fixed equipment additions and replacements when acquired under contract or by capital lease. The FY 2007 change is due to an inflationary increase.

Department of Homeland Security
Office of the Chief Information Officer
Homeland Secure Data Network
Funding Schedule
(Dollars in Thousands)

PPA: PPA Name		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$0	$0	$0	$0
11.3	Other than perm	---	---	---	---
11.5	Other per comp	---	---	---	---
11.8	Spec Srvc Pay	---	961	1,023	62
12.1	Benefits	---	---	---	---
13.0	Benefits-former	---	---	---	---
21.0	Travel	---	19	33	14
22.0	Transportation of things	---	---	---	---
23.1	GSA rent	---	646	611	(35)
23.2	Other rent	---	---	---	---
23.3	Communication, Utilities, and misc charges	---	274	287	14
24.0	Printing	---	14	14	1
25.1	Advisory & Assistance Services	---	3,339	3,630	291
25.2	Other Services	---	---	---	---
25.3	Purchase from Govt. Accts.	---	1,399	1,468	70
25.4	Operation & maintenance of facilities	---	---	---	---
25.5	Research & Development	---	---	---	---
25.6	Medical care	---	---	---	---
25.7	Operation & maintenance of equipment	---	26,028	25,567	(461)
25.8	Subsistence & Support of persons	---	---	---	---
26.0	Supplies & materials	---	21	20	(1)
31.0	Equipment	---	---	---	---
32.0	Land & Structures	---	---	---	---
41.0	Grants/Subsidies/Contributions	---	---	---	---
42.0	Indemnity	---	---	---	---
91.0	Unvouchered	---	---	---	---
Total, Investigations - Operations		**$0**	**$32,699**	**$32,654**	**($45)**
Full Time Equivalents		---	---	---	---

PPA Mission Statement

A classified wide area network for DHS and its components, with specific and controlled interconnections to the intelligence community and federal law enforcement resources.

Summary Justification and Explanation of Changes

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	$0	$961	$1,023	$62

The FY 2007 change is due to technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Travel	$0	$19	$33	$14

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 change is due to technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
GSA rent	$0	$646	$611	($35)

GSA Rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 change is due to an inflationary increase and technical adjustment.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous charges	$0	$274	$287	$14

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 change is due to technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Printing	$0	$14	$14	$1

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal entities. The FY 2007 change is due to technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$0**	**$3,339**	**$3,630**	**$291**

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 change is due to technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$0**	**$1,399**	**$1,468**	**$70**

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. The FY 2007 change is due to technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$0**	**$26,028**	**$25,567**	**($461)**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 change is due to technical adjustments.

	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$0**	**$21**	**$20**	**($1)**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 change is due to technical adjustments.

I. Schedule of Working Capital Fund

Department of Homeland Security
Office of the Chief Information Officer
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Salaries and Expenses	$20,461	$21,705	$23,546	$1,841
Information Technology Services	10,604	5,605	3,740	(1,865)
Security Activities	3,612	1,276	3,884	2,608
Wireless Program	10,021	5,774	5,235	(539)
Homeland Secure Data Network		2,218	1,977	(241)
Total Working Capital Fund	**$44,698**	**$36,578**	**$38,382**	**$1,804**

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Department of Homeland Security

Departmental Management and Operations

Office of the Chief Information Officer

Fiscal Year 2007

Strategic Context
Congressional Justification

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

Department of Homeland Security
Office of the Chief Information Officer

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A. Mission and Description of the Office of the Chief Information Officer

The Department of Homeland Security (DHS) Office of the Chief Information Officer (OCIO), in collaboration with the DHS Chief Information Officer (CIO) Council, is responsible for implementing the necessary programs to align the Information Technology (IT) organization, including all of the systems and infrastructure, to support the missions and activities across the Department and within each of the Components.

Under the leadership of DHS OCIO, IT will speed the transformation of the Department into a high-performance, highly integrated organization by providing the right technologies and systems. This transformation will collapse silos of information delivery resources into an enterprise-level delivery capability that meets DHS and Components missions, business, and IT requirements. To that end, the DHS OCIO and the CIO Council are committed to providing the following:

- A secure means of sharing appropriate information to all internal and external stakeholders;
- A set of advanced tools that enables the DHS workforce to rapidly and efficiently process, retrieve, deliver, and share information;
- A single, DHS-wide IT infrastructure environment that is reliable, scalable, flexible, maintainable, and secure;
- A clear set of performance metrics and efficient business processes;
- IT standards and frameworks that provide for integration;
- A single, consistent IT governance model;
- An enterprise-wide IT delivery capability, and;
- A mature and fully detailed Enterprise Architecture.

B. Major Activities and Key Strategic Issues

a. Major Activities

The OCIO program is divided into five subprograms: Salaries and Expenses, Information Technology Services, Security Activities, Wireless Program and Homeland Secure Data Network. The OCIO provides a myriad of Information Technology related services and support throughout the Department of Homeland Security. The most significant accomplishments for FY 2005, FY 2006 and FY 2007 include:

FY 2005 accomplishments:

Salaries and Expenses

- Completed the Department's first inventory of DHS' IT systems.
- Established the Continuity of Operations (COOP) site located at a hardened location for activation in case of a man-made or natural disaster.

- Completed a "Volume Purchase Agreement" contract with Oracle Corporation, which greatly reduces prices and software maintenance cost.
- Designed policies to ensure that our computer systems are accessible to disabled consumers and employees.
- Aligned approximately $2 Billion worth of investments to the new portfolio management framework.
- Negotiated a bridge extension to the Information Technology Managed Services (ITMS) contract to provide unclassified local area network (LAN) support for engineering, security, application and end user services resulting in significant savings.

Information Technology Services
- The OMB ranked the Homeland Security (HLS) Enterprise Architecture (EA) version 2 in the top Seven (7) of federal agencies (OMB addresses the maturity and the degree that the EA is utilized in the agency in this assessment).
- Established an interim Data Center for Enterprise Solutions.
- Finalized the Enterprise Architecture (EA) for the Detention & Removal functions of the Secure Border Initiative, People Screening and the Common Operational Picture for Homeland Security Operation Center (HSOC).
- 215,000 collaborative and Intranet weekly users accessed our network with 99.7 percent availability.
- Aligned 40 programs with the Homeland Security EA.
- Deployed the initial core of the DHS OneNet, which will allow the shutdown of the individual component networks resulting in significant savings.
- Built the primary Network Operation Center (NOC) and Security Operation Center (SOC) to monitor OneNet performance, thus eliminating six other NOCs and SOCs within the Department.

Security Activities, Wireless Program
- Reduced the backlog of radio frequency assignment renewals from over 3,000 to 8.
- Established support services for 33K Secret Communication users.
- Completed a joint DHS/DOJ interoperable Integrated Wireless Network (IWN) system in Seattle/Blaine, WA.

Homeland Secure Data Network
- Fielded 56 Secret Homeland Secure Data Network (HSDN) sites and completed connecting HSDN to the DoD's Secret Internet Protocol Routed Network (SIPRNET).

FY 2006 Planned Accomplishments:

In FY 2006, the OCIO received $294.257 million and will use these funds to achieve the following high-level accomplishments.

Salaries and Expenses
- Complete 85% of IT projects within 10% of the cost and schedule dates.
- Process Capital Asset Plan and Business Case Exhibit 300s with 100% being marked Green (acceptable) by Office of Management and Budget (OMB).

- Realize $15M in savings from the consolidation of the Infrastructure and the Screening Portfolios.
- Complete 85% of the OMB's Electronic Government (eGov) alignment milestones.
- Migrate 30% of eligible IT contracts to enterprise contract vehicles.

Information Technology Services
- Achieve a 100% Technical Reference Model (TRM) Selection and 5% reduction in DHS Data Center Operations Costs & GIS Software Costs.
- Increase the interoperability of DHS data across components by 30%.

Security Activities, Wireless Program
- Develop and meet all project milestones for the Wireless Management Office and Integrated Wireless Network (IWN) project plan; including designing a Concept of Operations (CONOPS) for both wireless and emergency tactical communications.

FY 2007 Projected Accomplishments:

Salaries and Expenses
- Consolidate IT support for the unclassified, secret, and top secret LANs into a single vendor to achieve improvements in service delivery while reducing costs for operations and maintenance.
- Extend the Headquarters (HQ) Metropolitan Area Network to support additional DHS components, including Customs and Border Protection (CBP), Transportation Security Administration (TSA), and United States Secret Service (USSS), eliminating overlapping network assets.
- Build out unclassified and Sensitive Compartmented Information Facilities (SCIF) in support of DHS directorate operational and continuity of operations needs, and conduct planning and requirements for development of the new DHS HQ location.

Information Technology Services
- Standardize and consolidate GIS software, data, and data warehouse investments to achieve operating efficiencies and synergies in mission data.
- 90% of DHS Level 1, 2 and 3 IT initiatives within 10% of cost and schedule variance.
- 90% of OMB eGov alignment milestones achieved.
- 40% of eligible contracts migrated to enterprise contract vehicles.

Security Activities, Wireless Program
- Migrate CBP, Federal Emergency Management Agency (FEMA), Federal Law Enforcement Training Center (FLETC), DHS HQ, Science and Technology (S&T), United States Coast Guard (USCG) and (1) Operations and Analysis and (2) Preparedness to OneNet.
- Complete construction of the National Center for Critical Information Processing and Storage (remaining 20K sq ft for a total of 100K sq ft.). Complete at least 20k sq feet of second data center, and begin migration of systems into DHS Data Center Environment.
- Mitigate all Plan of Actions and Milestones (POA&Ms) and IT material weaknesses identified in FY 2005 and FY 2006.

b. Key Strategic Issues

The Department continues to overcome challenges related to IT resource allocation and prioritization of supported operational initiatives. To ensure the right people have the right information at the right time, the DHS OCIO has established the following five strategic objectives:

1. Improve project management and alignment of budget and enterprise architecture;
2. Improve infrastructure and consolidation;
3. Continue cyber security improvements;
4. Transition projects into actions and operations; and
5. Improve information sharing and data collaboration/integration.

Accomplishing these priorities will significantly enhance the Department's ability to seamlessly share information, integrate business processes and leverage information technology to increase mission effectiveness and transform the 22 component organizations into "One DHS".

C. Resources Requested and Performance Impact

In FY 2007, the OCIO is requesting a total of 87 FTE (78 FTE in FY 2006) and $323.765 million ($294.257 million in FY 2006) for the following areas: Salaries and Expenses - $79.521 million ($74.999 million in FY 2006), Information Technology Services - $61.013 million ($82.609 million in FY 2006), Security Activities - $64.139 million ($18.810 million in FY 2006), Wireless Program - $86.438 million ($85.140 million in FY 2006) and Homeland Secure Data Network - $32.654million ($32.699 million in FY 2006).

To align the OCIO resources to the OCIO and DHS mission, the total program change in FY 2007 is 9 positions, 9 FTE and $29.508 million. This includes an adjustment-to-base of 9 positions, 9 FTE and ($15.824) million and program changes totaling $45.342 million.

The adjustment-to-base includes inflation, transfers and technical adjustments. Adjusted inflation is $.301 million and $2.065 million for pay and non-pay respectively. Transfers are 3 positions, 3 FTE and $.412 million transfer in from the Under Secretary of Management (USM), Business Transformation Office (BTO) resulting from a 2SR (Second Stage Review) FTE realignment and ($17.820) million out of the OCIO in support of eMERGE2. Technical adjustments include; 4 positions 4 FTE, derived from the approved FY 2005 Geospatial reprogramming, 2 positions 2 FTE for the Homeland Secure Data Network and $3.066 million within Salaries and Expenses and ($3.858) million within Information Technology Services.

To improve mission capability, the OCIO is requesting $45.342 million for program increases over the current services level. Program increases include $36.342 million for Information Security & Infrastructure and $9.000 million for Data Center Development. Improved performance expected from program increases are addressed in the Congressional Justification, section IV. Program increases support the OCIO mission to transform legacy systems and infrastructure into a Department-wide information security certified and accredited organization that ensures information security, reliable data exchange and disaster recovery.

D. How the Office of the Chief Information Officer Performance Goal Aligns to and Supports the DHS Strategic Plan Objectives.

The following lists the OCIO performance goal, followed by the DHS strategic objectives supported.

Office of the Chief Information Officer – The Department of Homeland Security components and stakeholders have world class information technology leadership and guidance enabling them to efficiently and effectively achieve their vision, mission, and goals.

1.1: Gather, fuse, and analyze all terrorism and threat related intelligence.
7.3: Continually improve our way of doing business.

E. Performance Based Budget Highlights by Program

For the OCIO, the performance goal, performance measure, budget including allocation of non-programmatic overhead, and FTE are:

Performance Goal: The Department of Homeland Security components and stakeholders have world class information technology leadership and guidance enabling them to efficiently and effectively achieve their vision, mission and goals.					
Measure: The percentage of major IT projects that are within 10% of cost/schedule/performance objectives.	Fiscal Year	FY2004	FY2005	FY2006	FY2007
	Target	Baseline	70%	85%	90%
	Actual	52%	81%		
Program: Office of the Chief Information Officer	$ Thousands	$265,047	$275,270	$294,257	$323,765
	FTE	78	82	78	87

F. Digest Tables by FYHSP Programs

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

Budget Activity	FY2005 Actual		FY2006 Revised Enacted		FY2007 Estimate		Increase (+) or Decrease (-) for FY 2006					
							Total Changes		Program Changes		Other Changes	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY												
1. Office of the Chief Information Officer												
Salaries and Expenses	65	66,485	78	74,999	87	79,521	9	4,522	0	---	9	4,522
Information Technology Services		70,340		82,609		61,013		(21,596)		---		(21,596)
Security Activities		28,816		18,810		64,139		45,329		45,342		(13)
Wireless Program		97,690		85,140		86,438		1,298		---		1,298
Homeland Secure Data Network (HSDN)				32,699		32,654		(45)		---		(45)
Subtotal	**65**	**$259,331**	**78**	**$294,257**	**87**	**$323,765**	**9**	**$29,508**	**0**	**$45,342**	**9**	**($15,834)**
Unobligated budget expiring		1,505										
Unobligated budget carried forward End of Year		48,529										
Unobligated budget carried forward Start of Year				16,248								
Subtotal, Budget Authority (All Sources)	**65**	**$309,365**	**78**	**$310,505**	**87**	**$323,765**	**9**	**$29,508**	**0**	**$45,342**	**9**	**($15,834)**
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	**65**	**$309,365**	**78**	**$310,505**	**87**	**$323,765**	**9**	**$29,508**	**0**	**$45,342**	**9**	**($15,834)**

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Department of Homeland Security

Analysis and Operations

Analysis and Operations Appropriation

Fiscal Year 2007

Overview
Congressional Justification

i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
Analysis and Operations */ **/
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Analysis and Operations	---	---	406	$252,940	475	$298,663	69	$45,723	12	$29,164	57	$16,559
Subtotal, Enacted Appropriations and Budget Estimates	---	---	**406**	**$252,940**	**475**	**$298,663**	**69**	**$45,723**	**12**	**$29,164**	**57**	**$16,559**
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	---	---	**406**	**$252,940**	**475**	**$298,663**	**69**	**$45,723**	**12**	**$29,164**	**57**	**$16,559**

*/ -- A portion of the funding is classified

**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
Analysis and Operations */ **/
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Analysis and Operations	---	---	---	---	---	---	406	$252,940	---	$0	406	$252,940	475	$298,663	---	$0	475	$298,663
Total Direct Appropriations and Budget Estimates	---	---	---	---	---	---	406	252,940	---	---	406	252,940	475	298,663	---	---	475	298,663

*/ – A portion of the funding is classified

**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS.

Explanation of Changes:
No changes.

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Department of Homeland Security
Analysis and Operations

Status of Congressionally Requested Studies, Reports, and Evaluations

1. Conference Report 109-241, page 40 directs the Department to submit a detailed expenditure plan for Analysis and Operations describing the intended use of this funding. The plan shall be provided no later than 60 days from the date of enactment of this Act. The work is ongoing and target date to the Committee is February 29, 2006.

2. Conference Report 109-241, page 40 directs that the Secretary shall submit to the Committee on Appropriations no later than February 10, 2006 a report that identifies staffing and other resource requirements that reconciles the Department's intelligence mission responsibilities under the various Acts and executive orders. Target response to Committee is February 10, 2006.

3. House Report 109-79, page 103 directs the Department to review the mission and functions of IAIP in light of the passage of the Intelligence Reform and Terrorism Prevention Act of 2004, the creation of NCTC and TSC, and provide a report on the future role IAIP will have in the intelligence community. The Department should include in this review how they reconcile the requirements of the Homeland Security Act of 2002 with those in the Intelligence Reform and Terrorism Prevention Act of 2004 and any recommended changes in IAIP's focus or mission, staffing and organizational structure. Target response to the Committee is February 10, 2006.

4. House Report 109-79, page 108 directs IAIP to provide a report on the implementation of HSIN, including who is connected, what training and outreach is provided, and what types of information is shared. The work is ongoing and the target response to the Committee is February 10, 2006.

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iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
Analysis and Operations
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Analysis and Operations 1/	2006	N/A	N/A	$298,663
Total Direct Authorization/Appropriation				$298,663

1/ - P.L. 109-90 for intelligence activities only.

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Department of Homeland Security

Analysis and Operations

Analysis and Operations Appropriation



Fiscal Year 2007

Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

ANALYSIS AND OPERATIONS

I. Appropriation Overview

A. Mission Statement for Analysis and Operations:

The Analysis and Operations account provides the resources to improve the analysis and sharing of threat information. This account supports the activities of the Office of Intelligence and Analysis and the Directorate of Operations. Even though these two offices are different and distinct in their missions, they work together to improve intelligence, information sharing, and coordination. In addition, these offices work with DHS to develop specific protective measures and countermeasures to these threats. In FY 2005, as part of the second Stage Review, DHS transferred monitoring resources such as the Homeland Security Operations Center and the intelligence activities of the Information Analysis and Infrastructure Protection (IAIP) Directorate to Analysis and Operations. Funding for legacy intelligence and monitoring activities are now funded in this account.

B. Budget Activities:

Office of Intelligence and Analysis (I&A) I&A leads the DHS Intelligence Enterprise and is responsible for the Department's intelligence and information gathering and sharing capabilities for and among all components of DHS. The Assistant Secretary for Intelligence & Analysis (ASIA) leads I&A, and is also the Department's Chief Intelligence Officer (CINT) reporting directly to the Secretary. I&A ensures that information is gathered from all relevant DHS field operations and is fused with information from other parts of the Intelligence Community to produce accurate, timely and actionable analytic intelligence products and services for DHS stakeholders.

Directorate of Operations The Directorate's mission is to disseminate threat information, provide domestic situational awareness, perform incident management, and to ensure operational coordination among the DHS components with specific threat responsibilities. Many of these functions are performed through the Homeland Security Operations Center. The Directorate of Operations works with component leadership and other federal partners to translate intelligence data and policy into actions, and to ensure that those actions are joint, well-coordinated and executed in a timely fashion.

C. Budget Request Summary:

The Analysis and Operations account requests 487 positions, 475 FTE and $298,663,000 for the FY 2007 Request. The total adjustments-to-base is 57 FTE and $16,559,000. The program increases include 24 positions, 12 FTE, and $29,164,000.

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
Analysis and Operations
Analysis and Operations */ **/
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual **/		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments to Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Analysis and Operations	---	---	406	$252,940	475	$298,663	69	$45,723	12	29,164	57	$16,559
Subtotal, Enacted Appropriations and Budget Estimates	---	---	406	$252,940	475	$298,663	69	$45,723	12	$29,164	57	$16,559
Less: Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	---	---	406	$252,940	475	$298,663	69	$45,723	12	$29,164	57	$16,559

*/ -- A portion of the funding is classified

**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS.

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III. Current Services Program Description by PPA
[Reference Classified Analysis and Operations Annex]

IV. Program Justification of Changes
[Reference Classified Analysis and Operations Annex]

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
Analysis and Operations
Justification of Proposed Changes in Appropriation Name
Appropriation Language

For necessary expenses for information analysis and operations coordination activities, as authorized by title II of the Homeland Security Act of 2002 (6 U.S.C. et seq.), [$255,495,000] ***$298,663,000***, to remain available until September 30, [2007] ***2008. Provided, That not to exceed $5,000 shall be for official reception and representation expenses.*** *(Department of Homeland Security Appropriations Act, 2006)*

Explanation of Changes:

Reception and Representation Expenses – Provide funds to host representatives from foreign intelligence and security organizations, state and local law enforcement and homeland security officials and other non-executive branch personnel.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
Analysis and Operations
Analysis and Operations
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	---	---	**$0**
2006 Revised Enacted	**471**	**406**	**252,940**
Adjustments-to-Base			
Transfers to and from other accounts:			
Transfer 1	(10)	(10)	(1,040)
Transfer 2	2	2	250
Total Transfers	(8)	(8)	(790)
Increases			
Annualization of part year funding	---	65	8,792
2007 pay increase	---	---	1,537
GSA Rent	---	---	480
Non-pay inflation excluding GSA Rent	---	---	6,540
Total Increases	---	65	17,349
Total Adjustments-to-Base	(8)	57	16,559
2007 Current Services	**463**	**463**	**269,499**
Program Changes			
Program Increases/(Decreases)			
Analysis and Operations	24	12	29,164
Total Program Changes	**24**	**12**	**29,164**
2007 Request	**487**	**475**	**298,663**
2006 to 2007 Total Change	**16**	**69**	**45,723**

*/ -- A portion of the funding is classified
**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS.

C. Summary of Requirements

Department of Homeland Security
Analysis and Operations
Analysis and Operations
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	---	---	$0
2006 Revised Enacted	471	406	252,940
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Transfers	(8)	(8)	(790)
Increases	---	65	17,349
Decreases	---	---	---
Total Adjustments-to-Base	(8)	57	16,559
2007 Current Services	463	463	269,499
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	24	12	29,164
2007 Total Request	487	475	298,663
2006 to 2007 Total Change	16	69	45,723

	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
Estimates by Program/Project Activity	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount	Pos	FTE	Amount
1 Analysis and Operations	471	406	$252,940	---	57	$16,559	24	12	$ 29,164	495	475	$298,663	24	69	$45,723
Total	**471**	**406**	**$252,940**	---	**57**	**$16,559**	**24**	**12**	**$29,164**	**495**	**475**	**$298,663**	**24**	**69**	**$45,723**

Note:

*/ -- A portion of the funding is classified

**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS.

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D. Summary of Reimbursable Resources
[Reference Classified Analysis and Operations Annex]

E. Summary of Requirements by Object Class

Department of Homeland Security
Analysis and Operations
Analysis and Operations
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	...	$41	$49	$8
11.3 Other than full-time permanent	---	---	---	---
11.5 Other Personnel Compensation	---	---	---	---
11.8 Special Service Pay	---	---	---	---
12.1 Benefits	---	15	18	3
13.0 Benefits - former	---	---	---	---
Total, Personnel Comp. & Benefits	**$0**	**$56**	**$67**	**$11**
Other Object Classes:				
21.0 Travel	---	4	4	---
22.0 Transportation of things	---	---	---	---
23.1 GSA rent	---	4	4	---
23.2 Other rent	---	---	---	---
23.3 Communications, utilities, & other misc. charges	---	7	8	1
24.0 Printing and reproduction	---	---	---	---
25.1 Advisory and assistance services	---	29	35	6
25.2 Other services	---	79	93	14
25.3 Purchases of goods & svcs. from Gov't accounts	---	48	56	8
25.4 Operation & maintenance of facilities	---	---	---	---
25.5 Research and development contracts	---	---	---	---
25.6 Medical care	---	---	---	---
25.7 Operation and maintenance of equipment	---	3	4	1
25.8 Subsistence and support of persons	---	---	---	---
26.0 Supplies and materials	---	11	13	2
31.0 Equipment	---	12	15	3
32.0 Land & structures	---	---	---	---
41.0 Grants/Subsidies/Contributions	---	---	---	---
42.0 Indemnity	---	---	---	---
43.0 Interest & dividends	---	---	---	---
44.0 Refunds	---	---	---	---
91.0 Unvouchered	---	---	---	---
99.0 Other	---	---	---	---
Total, Other Object Classes	**$0**	**$197**	**$232**	**$35**
Total, Direct Obligations	**$0**	**$253**	**$299**	**$46**
Unobligated balance, start of year	---	---	---	
Unobligated balance, end of year	---	---	---	
Recoveries of prior year obligations	---	---	---	
Total requirements	**$0**	**$253**	**$299**	

*/ -- A portion of the funding is classified.
**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS.

F. Permanent Positions by Grade

Department of Homeland Security
Analysis and Operations */ **/
Analysis and Operations
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	---	16	16	---
Total EX	---	---	---	---
GS-15	---	121	124	3
GS-14	---	172	175	3
GS-13	---	67	71	4
GS-12	---	60	65	5
GS-11	---	34	35	1
GS-10	---	1	---	(1)
GS-9	---	---	---	---
GS-8	---	---	---	---
GS-7	---	---	---	---
GS-6	---	---	---	---
GS-5	---	---	---	---
GS-4	---	---	---	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions		**471**	**487**	**16**
Unfilled Positions EOY	---	7	---	(7)
Total Perm. Employment EOY	---	471	487	16
FTE	---	**406**	**475**	**69**
Headquarters	---	471	487	16
U.S. Field	---	---	---	---
Foreign Field	---	---	---	---
Total Permanent Positions	---	**471**	**487**	**16**
Average ES Salary	$ ---	$ 147,000	$ 150,020	$ 3,020
Average GS Salary	$ ---	$ 90,473	$ 92,798	$ 2,325
Average GS Grade	---	13.80	13.17	(0.63)

*/ -- A portion of the funding is classified.
**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS.

G. Capital Investment and Construction Initiative Listing
[Not Applicable]

H. PPA Budget Justifications
[Reference Classified Analysis and Operations Annex]

I. Schedule of Working Capital Fund

Department of Homeland Security
Analysis and Operations */ **/
Analysis and Operations
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Analysis and Operations	...	$37,942	$37,906	(36)
Total Working Capital Fund	**$0**	**$37,942**	**$37,906**	**($36)**

*/ -- A portion of the funding is classified.
**/ - The Analysis and Operations Appropriation did not exist prior to FY 2006. Please see the Departmental Overview section of the Budget for FY 2005 Actuals from the legacy agencies of IAIP and BTS.

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Department of Homeland Security

Office of Inspector General



Fiscal Year 2007

Overview
Congressional Justification

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i. Summary of FY 2007 Budget Estimates by Appropriation

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Summary of FY 2007 Budget Estimates by Appropriation
Total Appropriations
(Dollars in Thousands)

Budget Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Salaries and Expenses	492	$82,109	540	$82,187	545	$96,185	5	$13,998	5	$12,440	---	$1,558
Subtotal, Enacted Appropriations and Budget Estimates	**492**	**$82,109**	**540**	**$82,187**	**545**	**$96,185**	**5**	**$13,998**	**5**	**$12,440**	**0**	**$1,558**
Less Adjustments for Other Funding Sources:												
Net, Enacted Appropriations and Budget Estimates	**492**	**$82,109**	**540**	**$82,187**	**545**	**$96,185**	**5**	**$13,998**	**5**	**$12,440**	**0**	**$1,558**

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ii: Homeland and Non-Homeland Allocation

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Homeland and Non-Homeland Allocation by Program/Project Activity
(Dollars in Thousands)

Budget Activity	2005 Enacted						2006 Revised Enacted						2007 Request					
	Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total		Homeland		Non-Homeland		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses	--	--	502	$82,317	502	$82,317	--	--	540	$82,187	540	$82,187	--	--	545	$96,185	545	$96,185
- Audits, Inspections & Investigations Program	--	--	502	82,317	502	82,317	--	--	540	82,187	540	82,187	--	--	545	96,185	545	96,185
Total Direct Appropriations and Budget Estimate	--	--	502	82,317	502	82,317	--	--	540	82,187	540	82,187	--	--	545	96,185	545	96,185

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iii. Status of Congressionally Requested Studies and Reports

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Status of Congressionally Requested Studies, Reports, and Evaluations

1. House Report 109-79, Title 1, p. 19 directs the Inspector General (IG) to audit the Department's compliance with the *Buy American Act* and submit the report at the same time the President submits to Congress the budget for fiscal year 2007. Target response to Committee February 10, 2006.

2. Conference Report 109-241, Title 1, p. 41 directs the IG to review the steps the Department has taken to comply with recommendations contained in the IG's report on port security grants (OIG-05-10). This report should be submitted to the House and Senate Committees on Appropriations; the Senate Committee on Commerce, Science, and Transportation; the Senate Committee on Homeland Security and Government Affairs; and the House Committee on Homeland Security. Target response to Committees February 10, 2006.

iv: Schedule of Authorized/Unauthorized Appropriations by PPA

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Schedule of Authorized/Unauthorized Appropriations by Program Project/Activity
(Dollars in Thousands)

Budget Activity	Last Year of Authorization	Authorized Level	Appropriation in Last Year of Authorization	FY 2007 Request
	Fiscal Year	Amount	Amount	Amount
Salaries and Expenses	**N/A**	**N/A**	**N/A**	**$96,185**
- Audit, Inspections & Investigations Program	N/A	N/A	N/A	96,185
Total Direct Authorization/Appropriation				**$96,185**

Department of Homeland Security

Office of Inspector General



Fiscal Year 2007
Congressional Justification

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BUDGET REQUEST AND SUPPORTING INFORMATION

OFFICE OF INSPECTOR GENERAL
AUDITS, INSPECTIONS & INVESTIGATIONS PROGRAM

I. Appropriation Overview

The DHS Office of Inspector General (OIG) was established by the *Homeland Security Act 2002* (P.L. 107-296), by amendment to the *Inspector General Act of 1978.* The Inspector General (IG) has a dual reporting responsibility, to the Secretary of Homeland Security and to the Congress. The OIG serves as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations, and to prevent and detect fraud, waste, and abuse in such programs and operations.

A. Mission Statement for the Office of Inspector General:

The IG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of the Department. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for the Department to carry out its responsibilities in the most economical, efficient, and effective manner possible.

In addition, the OIG is responsible for the oversight of the management and expenditures of all contracts, grants, and governmental operations related to the on-going hurricane relief efforts. This oversight is to be accomplished through internal control reviews and contract audits to ensure appropriate control and use of disaster assistance funding. The OIG will ensure this oversight encompasses an aggressive and on-going audit and investigative effort designed to identify and address fraud, waste, and abuse as early as possible. The OIG will also coordinate audit activities of other inspectors general, who oversee funds transferred to their respective departments and agencies by FEMA to aid in disaster relief assistance.

B. Budget Activity:

Audit, Inspections & Investigations Program - The OIG has one budget activity which consists of the following components:

Executive Office: This office consists of the IG, the Deputy IG, a congressional liaison and media affairs officer, and support staff. It provides executive leadership to the OIG with eight full-time equivalent (FTE) employees.

Office of Counsel to the Inspector General: The Office of Counsel to the IG provides legal advice to the IG; supports audits, inspections, and investigations by ensuring that applicable laws and regulations are followed; is the OIG's designated ethics office; manages the OIG's *Freedom of Information Act* and *Privacy Act* responsibilities; and furnishes attorney services for the issuance and enforcement of

OIG subpoenas, *False Claims Act* and *Civil Monetary Penalty Act* claims, as well as suspension and debarment actions. The office has 12 FTE.

Office of Audits: The Office of Audits conducts and coordinates audits and program evaluations of the management and financial operations of DHS. Auditors examine the methods employed by agencies, bureaus, grantees, and contractors in carrying out essential programs or activities. Audits evaluate whether established goals and objectives are achieved and resources are used economically and efficiently; whether intended and realized results are consistent with laws, regulations, and good business practice; and whether financial accountability and the reliability of financial statements are ensured. The office has 215 FTE, of which 40 are currently detailed to the Office of Gulf Coast Hurricane Recovery.

Office of Gulf Coast Hurricane Recovery: The Office of Gulf Coast Hurricane Recovery is responsible for providing an aggressive and ongoing audit and investigative effort designed to ensure that disaster relief funds are being spent appropriately, while identifying waste, fraud, and abuse as early as possible. The office works to ensure accountability and to prevent problems before they occur. The focus is weighted heavily toward prevention, including reviewing internal controls; and monitoring and advising Department officials on contracts, grants, and purchase transactions before they are approved. The office also meets with applicants, contractors, and grantees to advise them of the requirements and assess their capability to account for the funds. Approximately 100 permanent and temporary employees will be dedicated to Gulf Coast Hurricane Recovery operations during FY 2006.

Office of Inspections and Special Reviews: The Office of Inspections and Special Reviews compliments the work of the OIG by providing quick and less structured reviews of those DHS programs and operations that are of pressing interest to Department managers, the Congress, or the IG. This office has 41 FTE.

Office of Information Technology: The Office of Information Technology conducts audits and evaluations of DHS' information management, cyber infrastructure, and systems integration activities. The office reviews the cost effectiveness of acquisitions, implementation, and management of major systems, and telecommunications networks across DHS. In addition, it evaluates the systems and related architectures of DHS to ensure they are effective, efficient, and implemented according to applicable policies, standards, and procedures. The office also assesses DHS' information security program as mandated by the *Federal Information Security Management Act* (FISMA). This office has 41 FTE.

Office of Investigations: The Office of Investigations conducts investigations into allegations of criminal, civil, and administrative misconduct involving DHS employees, contractors, and grantees. This office examines specific allegations, reports, or other information indicating possible violations of laws or regulations. Additionally, it monitors the investigative activity of the Department's various internal affairs offices. This office has 189 FTE, approximately 20 of whom are dedicated to the work generated by Hurricanes Katrina and Rita.

Office of Administration: The Office of Administration provides critical administrative support functions, including OIG strategic planning; development and implementation of administrative directives; the OIG's information and office automation systems; budget formulation and execution; and oversight of the personnel, procurement, travel, and accounting services provided to the OIG, on a

reimbursable basis, by the Bureau of Public Debt. The office also prepares the OIG's annual performance plans and the Semiannual Reports to the Congress. This office has 34 FTE.

***FY 2005 Accomplishments*:**

- During fiscal year 2005, the OIG issued 52 management reports (audits and inspections). In addition, we issued 53 audit reports on grants and contracts, and processed 208 reports on DHS programs that were issued by other organizations. As a result of these efforts, $58.7 million of questioned costs were identified, of which $26.7 million were determined to be unsupported. Additionally, audit recoveries totaled $24.5 million. The OIG is most pleased, however, with the positive response our reports have received from Departmental management. This is demonstrated by the fact that management has concurred with over 90% of our recommendations.

- In the investigative area, we issued 498 reports. Our investigations resulted in 200 arrests, 135 indictments, and 109 convictions. Our investigators closed 639 investigations and 12,219 complaints received through the hotline. Additionally, investigative recoveries, fines, restitutions and administrative cost savings totaled $97.7 million.

C. Budget Request Summary:

The OIG is requesting 548 positions, 545 FTE, and $96.185 million for FY 2007. The adjustments-to-base are 0 positions, 0 FTE and $1.558 million. The program increases include 10 positions, 5 FTE, and $12.44 million.

- Gulf Coast Hurricane Oversight - The funding will allow the OIG to continue its oversight of contracts, grants, and governmental operations related to hurricane relief. Specifically, the OIG, will: monitor operations at the FEMA Emergency Operations Center to stay current on all disaster relief operations and provide on-the-spot advice; provide advice and perform proactive procedures related to the joint field offices' internal activities to ensure the appropriate control and use of FEMA funds; coordinate with the respective Federal, state, and local law enforcement agencies and prosecutors; handle allegations received through a single, OIG-wide, hurricane relief fraud hotline; work with the Attorney General's Hurricane Fraud Task Force; review the administration of major contracts awarded with hurricane-relief funds to ensure that appropriate Federal acquisition regulations are being adhered to, and that expenditures are necessary and reasonable; provide continuous oversight of FEMA's control environment, financial and operational processes, and the effectiveness of internal controls to identify financial reporting issues early; and, closely monitor FEMA's approval of public assistance projects. (0 positions, 0 FTE, and $11 million)

- Personnel and Contract Support - The additional resources will help the Office of Investigations to facilitate the expeditious resolution of incoming allegations of criminal conduct or egregious administrative misconduct on the part of DHS employees, contractors, and grantees. The additional resources will also allow the Office of Audits to provided needed audit coverage in high priority areas such as the Department's major procurement efforts (e.g., MaxHR, Deepwater, US-VISIT, UNISYS, and ACE). (10 positions, 5 FTE, and $1.44 million)

II. Summary of FY 2007 Budget Estimates by Program/Project Activity (PPA)

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
Summary of FY 2007 Budget Estimates by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual		FY 2006 Revised Enacted		FY 2007 Request		Increase (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Audits, Inspections & Investigations Program	492	$82,109	540	$82,187	545	$96,185	5	$13,998	5	12,440	---	$1,558
							---	---	---	---	---	---
							---	---			---	---
Subtotal, Revised Enacted Appropriations and Budget Estimates	**492**	**$82,109**	**540**	**$82,187**	**545**	**$96,185**	**5**	**$13,998**	**5**	**$12,440**	**---**	**$1,558**
Less: Adjustments for Other Funding Sources:			---	---	---		---	---			---	---
Net, Enacted Appropriations and Budget Estimates	**492**	**$82,109**	**540**	**$82,187**	**545**	**$96,185**	**5**	**$13,998**	**5**	**$12,440**	**---**	**$1,558**

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III. Current Services Program Description by PPA

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Operating Expenses
Program Performance Justification
(Dollars in thousands)

AUDITS, INSPECTIONS & INVESTIGATIONS PROGRAM

	Perm Pos	FTE	Amount
2005 Actual	**538**	**492**	**$82,109**
2006 Revised Enacted	**538**	**540**	**82,187**
2007 Adjustments-to-Base	0	0	1,558
2007 Current Services	**538**	**540**	**83,745**
2007 Program Change	10	5	12,440
2007 Request	**548**	**545**	**96,185**
Total Change 2006-2007	10	5	13,998

The OIG requests $96.2 million for FY 2007, an increase of $14 million over FY 2006. $11 million of the requested increase is associated with Gulf Coast Hurricane Recovery. At the end of FY 2005, the OIG received $15 million in supplemental funding to investigate and audit recovery activities related to Hurricane Katrina. This funding will be used to support OIG efforts in FY 2006. The requested funding for FY 2007 will enable the OIG to continue its investigation and audit efforts into FY 2007 and expand OIG's scope to include all of the hurricanes that affected the Gulf Coast during 2005.

CURRENT SERVICES PROGRAM DESCRIPTION:

The OIG's key legislated responsibilities are to:

- Promote economy, efficiency, and effectiveness in the management of the Department's programs and supporting operations;
- Conduct and supervise audits, investigations, and reviews relating to the Agency's programs and support operations;
- Detect and prevent fraud, waste, and abuse;
- Review existing and proposed legislation and regulations and make appropriate recommendations;
- Maintain effective working relationships with other Federal, state, and local governmental agencies, and non-governmental entities regarding the mandated duties of the IG;
- Inform the Secretary of the DHS and the Congress of serious problems and recommend corrective actions and implementation measures;
- Comply with the audit standards of the Comptroller General of the Government Accountability Office (GAO); avoid duplication of GAO activities; and
- Report violations of Federal criminal law to the U.S. Attorney General.

FY 2007 performance will be similar to the expected FY 2006 performance which is described below.

- Audit -The OIG plans for FY 2006 include issuing 30 program and financial audits in process at the end of FY 2005, as well as 23 new program audits that are to be initiated in FY 2006. It is anticipated that 30 grant audits will be issued. The OIG will continue to work closely with DHS management and Congressional oversight committees to identify potential audit work that will promote the effectiveness, efficiency, and economy of Departmental programs and operations.

- Information Technology (IT) - In FY 2006, OIG's IT office will evaluate the Department's progress in establishing a cost-effective and secure IT infrastructure. Specifically, the IT office will assess the progress DHS is making in consolidating its myriad networks and implementing a standard IT platform across the Department. In addition, OIG will evaluate the U.S. Coast Guard's Deepwater program to determine if it is following sound IT systems development and procurement practices. OIG will also assess DHS' data mining efforts to determine if they comply with security and privacy laws, policies, and procedures, and will evaluate the effectiveness of efforts to improve information sharing with state and local governments through the Homeland Secure Information Network. Further, OIG will conduct a series of reviews addressing the security aspects of laptop computers, radio frequency identification devices, and the Transportation Worker Identification Credentialing program. Finally, the IT office will assess DHS efforts to address significant deficiencies identified in the IT security program by ensuring that progress is made in developing components' plans of action and milestones; ensuring that security policies and procedures are implemented Department-wide; and ensuring that all systems are adequately certified and accredited.

- Office of Inspections and Special Reviews (ISP) - This office's resources are employed to evaluate the effectiveness and vulnerabilities of DHS programs. ISP emphasizes reviews of DHS operations involving intelligence information management, infrastructure protection and mitigation, and the screening of foreign travelers. In addition to FY 2006 work surveying DHS intelligence components, ISP oversees DHS compliance with E.O. 12333 (intelligence on US persons) and reports quarterly to the President's Intelligence Oversight Board. ISP also will report on the incorporation of threat and risk based assessments into DHS' port security grant program. With respect to infrastructure protection and mitigation, ISP will review the National Asset Data Base and DHS' inventorying of critical infrastructure/key resources. In addition, ISP will examine DHS' coordination with other Federal agencies having cognizance for public sectors under the Emergency Support Functions of the National Response Plan; for example, DHS' work with the United States Department of Agriculture and the Food and Drug Administration regarding protection of the Food Sector. With respect to border screening, ISP has reported on and will continue to study aspects of DHS' role in visa integrity matters, remote surveillance technologies, and land border and maritime enforcement strategies. Lastly, ISP completed a special review on whether Immigration and Customs Enforcement and Customs and Border Protection should be merged; that review generated recommendations to DHS that will be the subject of a follow-up review in FY 2006. ISP also will complete a special review of FEMA's preparation for and response to Hurricane Katrina. ISP is also designed to provide a quick response capability for the IG and DHS management when new controversies arise or as new DHS program initiatives may warrant.

- Investigations - The office will conduct internal inspections of the OIG Office of Investigations' Chicago, Miami, San Diego, and Dallas field offices as well as headquarters operations to ensure compliance with the President's Council for Integrity and Efficiency (PCIE) standards. External oversight reviews will be conducted at the U.S. Coast Guard's Investigative Service, the Federal Law Enforcement Training Center, and possibly of the Federal Air Marshal Program. Additionally, the Office of Investigations will conduct a PCIE peer review of the Housing and Urban Development OIG's Office of Investigations.

  In addition to upgrading the OIG case management system's hardware and software, when applicable and resources allow, we will also develop new features such as electronic receipt of complaints from the DHS bureaus, an agent time tracking module, and automating the submission and review of reports of investigation. These upgrades will result in greater customer support for our stakeholders, i.e., quicker response and retrieval time will allow for a more efficient and effective case management system.

IV. Program Justification of Changes

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
Justification of Program Changes
(Dollars in Thousands)

Total Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	538	492	$82,109	538	540	$82,187	538	540	$83,745
Program Increase # 1							0	0	11,000
Program Increase # 2							10	5	1,440
Total Request	**538**	**492**	**$82,109**	**538**	**540**	**$82,187**	**548**	**545**	**$96,185**

Program Increase # 1: Gulf Coast Hurricane Recovery

Strategic Goal(s) & Objective(s): 7.3 Continually improve our way of doing business.
PPA: Audits, Inspections and Investigations

Program Increase: Positions 0 FTE 0 Dollars $11,000

Funding Profile

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level							0	0	$0
Program Increase # 1							0	0	11,000
Total Request	**0**	**0**	**$0**	**0**	**0**	**$0**	**0**	**0**	**$11,000**

Description of Item

The program increase will enable the OIG to continue its audit and investigative activities of the Gulf Coast hurricane recovery efforts in FY 2007. The OIG received a $15 million transfer at the end of FY 2005 to support its oversight of recovery efforts related to Hurricane Katrina. It is anticipated that by the end of FY 2006, these initial funds will be obligated. Additional funds will be required to continue the Hurricane Katrina oversight in FY 2007, while expanding the scope to include the other hurricanes that impacted the Gulf Coast during 2005.

Justification

The OIG will use the $11 million to: monitor operations at the FEMA Emergency Operations Center to stay current on all disaster relief operations and provide on-the-spot advice; provide advice and

perform proactive procedures related to the joint field offices' internal activities to ensure the appropriate control and use of FEMA funds; coordinate with the respective Federal, state, and local law enforcement agencies and prosecutors; handle allegations received through a single, OIG-wide, hurricane relief fraud hotline; work with the Attorney General's Hurricane Fraud Task Force; review the administration of major contracts awarded with hurricane-relief funds to ensure that appropriate Federal acquisition regulations are being adhered to, and that expenditures are necessary and reasonable; provide continuous oversight of FEMA's control environment, financial and operational processes, and the effectiveness of internal controls to identify financial reporting issues early; and, closely monitor FEMA's approval of public assistance projects.

Impact on Performance (Relationship of Increase to Strategic Goals)

The increase has a direct correlation to the achievement of DHS objective 7.3: continually improve our way of doing business. The OIG serves as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations, and to prevent and detect fraud, waste, and abuse in such programs and operations.

The OIG is responsible for the oversight of the management and expenditures of all contracts, grants, and governmental operations related to the on-going hurricane relief efforts. This oversight is to be accomplished through internal control reviews and contract audits to ensure appropriate control and use of disaster assistance funding. The OIG will ensure this oversight encompasses an aggressive and on-going audit and investigative effort designed to identify and address fraud, waste, and abuse as early as possible. The OIG will also coordinate audit activities of other inspectors general, who oversee funds transferred to their respective departments and agencies, by FEMA, to aid in disaster relief assistance. As a result, the OIG's efforts will impact the performance of FEMA, other components of DHS, and other Federal agencies as well.

Program Increase # 2: Personnel and Contract Support

Strategic Goal(s) & Objective(s): 7.3 Continually improve our way of doing business.
PPA: Audits, Inspections and Investigations

Program Increase: Positions 10 FTE 5 Dollars $1,440

	FY 2005 Actual			FY 2006 Revised Enacted			FY 2007 Request		
	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)	Pos	FTE	Dollars ($000)
Current Services Level	538	492	$82,109	538	540	$82,187	538	540	$83,745
Program Increase # 2							10	5	1,440
Total Request	**538**	**492**	**$82,109**	**538**	**540**	**$82,187**	**548**	**545**	**$85,185**

Description of Item

The program increase will enable us to: add additional criminal investigators to existing investigative field offices and provide a greater level of audit oversight in areas that the Secretary has designated as being high priorities of the Department.

Justification

- The additional resources will help to facilitate the expeditious resolution of the overwhelming number of incoming allegations of criminal conduct or egregious administrative misconduct on the part of DHS employees, contractors, and grantees. Currently, the average caseload per agent equals 13, which is approximately 3 times the average caseload in the law enforcement community (1794 open cases divided by 138 working field agents = DHS OIG agent to case ratio of 1/13).

- The additional resources will allow the Office of Audits to provide needed audit coverage in high priority areas such as the Department's major procurement efforts (e.g., MaxHR, Deepwater, US-VISIT, UNISYS, and ACE). With the additional resources, the Office of Audits will be able to issue two more audit reports per year in areas of interest to the Secretary, Congress, and the American people.

Impact on Performance (Relationship of Increase to Strategic Goals)

The increase has a direct correlation to the achievement of DHS objective 7.3: continually improve our way of doing business. The OIG serves as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations, and to prevent and detect fraud, waste, and abuse in such programs and operations. Funding our request will improve our performance in several respects.

In the Investigations area, we will be in a better position to process our investigations in a more expeditious manner. We will be able to reduce the caseload per agent, while also being able to investigate more of the allegations that we have had to delegate to component internal affairs offices, given our current staffing level. This fiscal year we were unable to investigate 616 allegations of wrongdoing we might otherwise have pursued were it not for the limited investigative resources. Increased staffing will enable the OIG to meet the challenge of investigating many more of the complaints received in FY 2007 than is currently possible.

The Acquisition Management Division of Audit reviews and analyzes DHS' major acquisition programs and procurement efforts. Additional staff in this division will increase our ability to review and monitor DHS contracts. The reports issued from their efforts should lead to better contracting and financial management practices that will strengthen the Department's ability to capture, analyze, and disseminate data. As well as protect the Department from potential mismanagement and abuse.

Overall, in the Audit area, the additional personnel will allow the IG to better assess the Department's ability to prevent, respond, and recover from terrorist attacks and to prepare, respond, and recover from disasters by:

- providing oversight and timely recommendations for improving DHS management and operations in a greater number of acquisition programs;
- getting involved and influencing management direction and positive change in the early phases of new DHS programs and initiatives;
- providing continuous monitoring and evaluation of programs;

- providing a more timely response to requests for reviews on issues brought forth from Congress, and reducing the impact these requests have on the planned audits;
- developing more in-depth research and background into the audit areas, developing more effective recommendations for the auditees and management;
- monitoring recommendations to audit findings, reporting auditee achievements, and ensuring adequate response to needed program internal controls;
- ensuring more comprehensive audit follow-up for high-risk programs.

With respect to the impact of our reports, we have been able to document a significant level of success in developing recommendations that are accepted by Departmental management.

V. Exhibits and Other Supporting Materials

A. Justification of Proposed Legislative Language

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Justification of Proposed Changes in Department of Homeland Security
Appropriation Language

For necessary expenses of the OIG in carrying out the provisions of the *Inspector General Act of 1978* (5 U.S.C. App.), [$83,017,000] ***$96,185,000***, of which not to exceed $100,000 may be used for certain confidential operational expenses, including the payment of informants, to be expended at the direction of the IG. *(Department of Homeland Security Appropriations Act, [2006] **2007**.)*

Explanation of Changes:

No substantive changes are proposed.

B. FY 2006 to FY 2007 Budget

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE	Amount
2005 Actual	**538**	**492**	**$82,109**
2006 Revised Enacted	**538**	**540**	**82,187**
Adjustments-to-Base			
Increases			
2007 pay increase	---	---	1,145
GSA Rent	---	---	124
Non-pay inflation excluding GSA Rent	---	---	289
Total Increases	---	---	1,558
Total Adjustments-to-Base	---	---	1,558
2007 Current Services	**538**	**540**	**83,745**
Program Changes			
Program Increases/(Decreases)			
Gulf Coast Hurricane Recovery			11,000
Personnel/Contract Support for Audits, Inspections & Investigations	10	5	1,440
Total Program Changes	**10**	**5**	**12,440**
2007 Request	**548**	**545**	**96,185**
2006 to 2007 Total Change	**10**	**5**	**13,998**

C. Summary of Requirements

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
Summary of Requirements
(Dollars in Thousands)

	2007 PB Request		
	Perm. Pos.	FTE	Amount
2005 Actual	538	492	$82,109
2006 Revised Enacted	538	540	82,187
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change" for details)			
Increases	---	---	1,558
Total Adjustments-to-Base	---	---	1,558
2007 Current Services	538	540	83,745
Program Changes (See "FY 2006 to FY 2007 Budget Change" for details)	10	5	12,440
2007 Total Request	548	545	96,185
2006 to 2007 Total Change	10	5	$13,998

Estimates by Program/Project Activity	2006 Revised Enacted			2007 Adjustments-to-Base			2007 Program Change			2007 Request			2006 to 2007 Total Change		
	Pos	FTE	Amount	Pos	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
1 Audits, Inspections & Investigations Program	538	540	$82,187	---	---	$1,558	10	5	$12,440	548	545	$96,185	10	5	$13,998
Total	538	540	$82,187	---	---	$1,558	10	5	$12,440	548	545	$96,185	10	5	$13,998

D. Summary of Reimbursable Resources

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
Summary of Reimbursable Resources
(Dollars in Thousands)

Collections by Source	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
DHS CFO (CFO Audit)			$10,643			$18,000			$20,000	---	---	$2,000
Total Budgetary Resources	---	---	**$10,643**	---	---	**$18,000**	---	---	**$20,000**	---	---	**$2,000**

Obligations by Program/Project Activity	2005 Actual			2006 Estimate			2007 Estimate			Increase/Decrease		
	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
OIG			$10,643			$18,000			$20,000	---	---	$2,000
Total Obligations	---	---	**$10,643**	---	---	**$18,000**	---	---	**$20,000**	---	---	**$2,000**

Explanation of Increase/Decrease.

Audits, Inspections & Investigations Program: Projected cost increase for the CFO financial statement and the internal control audit. The internal control audit requirement began in FY 2006.

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E. Summary of Requirements by Object Class

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
Summary of Requirements by Object Class
(Dollars in Thousands)

Object Classes	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
11.1 Total FTE & personnel compensation	$ 39,110	$ 44,598	$ 42,644	($1,954)
11.3 Other than full-time permanent	$ 259	$ 1,851	$ 3,591	1,740
11.5 Other Personnel Compensation	$ 3,422	$ 4,892	$ 5,413	521
12.1 Benefits	$ 13,239	$ 14,814	$ 14,878	64
Total, Personnel Comp. & Benefits	$ 56,030	$ 66,155	$ 66,526	**$371**
Other Object Classes:				
21.0 Travel	$ 4,063	$ 7,084	$ 6,699	(385)
22.0 Transportation of things	$ 177	$ 76	$ 96	20
23.1 GSA rent	$ 4,777	$ 7,426	$ 7,550	124
23.2 Other rent	$ 1,547	$ 613	$ 623	10
23.3 Communications, utilities, & other misc. charges	$ 2,537	$ 3,074	$ 3,081	7
24.0 Printing and reproduction	$ 19	$ 70	$ 41	(29)
25.1 Advisory and assistance services	$ 3,132	$ 4,434	$ 1,779	(2,655)
25.2 Other services	$ 839	$ 1,695	$ 1,671	(24)
25.3 Purchases of goods & svcs. from Gov't accounts	$ 5,275	$ 5,864	$ 5,983	119
25.7 Operation and maintenance of equipment	$ 162	$ 313	$ 319	6
26.0 Supplies and materials	$ 708	$ 795	$ 803	8
31.0 Equipment	$ 3,013	$ 3,576	$ 914	(2,662)
32.0 Land & structures	$ 4,458	$ 302	$ -	(302)
42.0 Indemnity	$ 18	$ -	$ -	---
91.0 Unvouchered	$ 61	$ 100	$ 100	---
Total, Other Object Classes	$ 30,786	$ 35,422	$ 29,659	($5,763)
Total, Direct Obligations	$ 86,816	$ 101,577	$ 96,185	($5,392)
Unobligated balance, start of year	$ (7,708)	$ (18,990)	$ -	18,990
Unobligated balance, end of year	$ 18,990	$ -	$ -	---
Transfer	$ (15,000)	$ -	$ -	---
Recoveries of prior year obligations	$ (989)	$ (400)	$ -	400
Total requirements	**$ 82,109**	**$ 82,187**	**$ 96,185**	**13,998**

Note: The FY 2006 object class spread was updated after the MAX database was locked. As a result, there are differences at the object class level.

F. Permanent Positions by Grade

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
Permanent Positions by Grade

Grades and Salary Ranges	2005 Actual Pos.	2006 Revised Enacted Pos.	2007 Request Pos.	2006 to 2007 Change Total
Total, SES	10	11	11	---
Total, EX	1	1	1	---
GS-15	50	50	50	---
GS-14	99	99	99	---
GS-13	199	198	208	10
GS-12	89	89	89	---
GS-11	27	27	27	---
GS-10	---	---	---	---
GS-9	43	43	43	---
GS-8	3	3	3	---
GS-7	11	11	11	---
GS-6	3	3	3	---
GS-5	2	2	2	---
GS-4	1	1	1	---
GS-3	---	---	---	---
GS-2	---	---	---	---
Other Graded Positions	---	---	---	---
Ungraded Positions	---	---	---	---
Total Permanent Positions	**538**	**538**	**548**	**10**
Unfilled Positions EOY	45	18	18	---
Total Perm. Employment EOY	493	520	530	10
FTE	**502**	**540**	**545**	**5**
Headquarters	233	233	237	4
U.S. Field	305	305	311	6
Foreign Field	---	---	---	---
Total Permanent Positions	**538**	**538**	**548**	**10**
Average ES Salary	$ 143,816	$ 152,304	$ 153,903	$ 1,599
Average GS Salary	$ 71,269	$ 73,478	$ 75,389	$ 1,911
Average GS Grade	12.50	12.50	12.50	---

G. Capital Investment and Construction Initiative Listing

OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program

Not Applicable

H. PPA Budget Justifications

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
Funding Schedule
(Dollars in Thousands)

PPA: Audits, Inspections & Investigations Program		2005 Actual	2006 Revised Enacted	2007 Request	2006 to 2007 Change
Object Classes:					
11.1	Perm Positions	$39,110	$40,781	$42,644	$1,863
11.3	Other than perm	259		3,591	3,591
11.5	Other per comp	3,391	3,447	5,413	1,966
12.1	Benefits	13,237	13,049	14,878	1,829
21.0	Travel	4,000	4,046	6,699	2,653
22.0	Transportation of things	177	76	96	20
23.1	GSA rent	4,777	7,426	7,550	124
23.2	Other rent	1,547	613	623	10
23.3	Communication, Utililities, and misc charges	2,537	2,922	3,081	159
24.0	Printing	2	40	41	1
25.1	Advisory & Assistance Services	3,132	583	1,779	1,196
25.2	Other Services	838	1,595	1,671	76
25.3	Purchase from Govt. Accts.	5,275	5,649	5,983	334
25.7	Operation & maintenance of equipment	162	313	319	6
26.0	Supplies & materials	702	743	803	60
31.0	Equipment	2,884	804	914	110
42.0	Indemnity	18	---	---	---
91.0	Unvouchered	61	100	100	---
	Total, Audits, Inspections & Investigations Program	**$82,109**	**$82,187**	**$96,185**	**$13,998**
Full Time Equivalents		492	540	545	5

Audits, Inspections & Investigations Program Mission Statement

The IG is responsible for conducting and supervising audits, investigations, and inspections relating to the programs and operations of the Department. The OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for the department to carry out its responsibilities in the most economical, efficient, and effective manner possible.

H. PPA Budget Justifications (Cont)

Summary Justification and Explanation of Changes

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Salaries and Benefits	**$55,997**	**$57,277**	**$66,526**	**$9,249**

Salaries and Benefits includes costs for 545 FTEs. The FY 2007 request includes an increase of $1,145,000 for the proposed January 2007 2.4 percent increase in personnel compensation, and $8,104,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Travel	**$4,000**	**$4,046**	**$6,699**	**$2,653**

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with federal travel regulations. The FY 2007 request includes increases of $67,000 in non-pay inflation, and $2,586,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Transportation of Things	**$177**	**$76**	**$96**	**$20**

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 request includes increases of $1,000 in non-pay inflation and $19,000 in program increases

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
GSA rent	**$4,777**	**$7,426**	**$7,550**	**$124**

GSA rent includes all payments to General Services Administration (GSA) for rental of space and rent related services. The FY 2007 request includes increases of $124,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Rent	**$1,547**	**$613**	**$623**	**$10**

Other rent includes all payments to a non-federal source for rental space, land, and structures. The FY 2007 request includes an increase of $10,000 in non-pay inflation.

H. PPA Budget Justifications (Cont)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Communication, Utilities, and miscellaneous char	**$2,537**	**$2,922**	**$3,081**	**$159**

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 request includes increases of $49,000 in non-pay inflation and $110,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Printing	**$2**	**$40**	**$41**	**$1**

Printing includes all costs for printing and reproduction obtained from the private sector or from other federal entitities. The FY 2007 request includes an increase of $1,000 in non-pay inflation.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Advisory and Assistance Services	**$3,132**	**$583**	**$1,779**	**$1,196**

Advisory and assistance services include services acquired by contract from non-federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the federal government. The FY 2007 request includes an increase of $10,000 in non-pay inflation and $1,186,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Other Services	**$838**	**$1,595**	**$1,671**	**$76**

Other services include report contractual services with non-federal sources that are not otherwise classified under Object Class 25. The FY2007 request includes increases of $27,000 in non-pay inflation and $49,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Purchase from Government Accounts	**$5,275**	**$5,649**	**$5,983**	**$334**

Purchases from Government Accounts include costs for purchases from other federal government agencies or accounts that are not otherwise classified. The FY 2007 request includes an increase of $94,000 in non-pay inflation and $240,000 in program increases.

H. PPA Budget Justifications (Cont)

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Operation & Maintenance of equipment	**$162**	**$313**	**$319**	**$6**

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another federal government account. The FY 2007 request includes an increase of $5,000 in non-pay inflation and $1,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Supplies & materials	**$702**	**$743**	**$803**	**$60**

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property, or (c) other property of little monetary value that does not meet any of the three criteria listed above, at the option of the agency. The FY 2007 request includes increases of $12,000 in non-pay inflation and $48,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Equipment	**$2,884**	**$804**	**$914**	**$110**

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request includes increases of $13,000 in non-pay inflation and $97,000 in program increases.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Indemnity	**$18**	**$0**	**$0**	**$0**

Insurance claims and indemnities includes all benefit payments from the social insurance and federal retirement trust funds and payments for losses and claims including those under the *Equal Access to Justice Act*.

	2005 Actual	2006 Revised Enacted	2007 Request	2006 - 2007 Change
Unvouchered	**$61**	**$100**	**$100**	**$0**

Unvouchered includes expenditures made lawfully for confidential purposes, including authorized payments made by law enforcement personnel to informants, which are not subject to detailed vouchering or reporting. The FY 2007 request does not reflect a change from the FY 2006 level.

I. Schedule of Working Capital Fund

Department of Homeland Security
OFFICE OF INSPECTOR GENERAL
Audits, Inspections & Investigations Program
FY 2007 Schedule of Working Capital Fund by Program/Project Activity
(Dollars in Thousands)

Program/Project Activity	FY 2005 Actual AMOUNT	FY 2006 Anticipated AMOUNT	FY 2007 Anticipated AMOUNT	Increase / Decrease for FY 2007 AMOUNT
Audits, Inspections & Investigations Program	$857	$986	$985	($1)
Total Working Capital Fund	**$857**	**$986**	**$985**	**($1)**

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Department of Homeland Security

Office of Inspector General

Fiscal Year 2007

Strategic Context
Congressional Justification

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FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

Office of Inspector General (OIG)

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A. Mission and Description Office of Inspector General

The Homeland Security Act of 2002 provided for the establishment of an OIG to ensure independent and objective audits, inspections, and investigations of the operations of the DHS.

An Inspector General (IG), who is appointed by the President and confirmed by the Senate, reports directly to both the Secretary of DHS and the Congress. Barring narrow and exceptional circumstances, the IG may inspect, audit, or investigate anyone in the Department, or any program or operation of the Department. To ensure the IG's independence and objectivity, the OIG has its own budget, contracting, and personnel authority, separate from that of the Department. Such authority enhances the OIG's ability to promote economy, efficiency, and effectiveness within the Department, and to prevent and detect fraud, waste, and abuse in the Department's programs and operations.

Specifically, the OIG's key legislated responsibilities are to:

- Promote economy, efficiency, and effectiveness in the management of the Department's programs and supporting operations;
- Conduct and supervise audits, investigations, and reviews relating to the Agency's programs and support operations;
- Detect and prevent fraud, waste, and abuse;
- Review existing and proposed legislation and regulations and make appropriate recommendations;
- Maintain effective working relationships with other Federal, state, and local governmental agencies, and non-governmental entities regarding the mandated duties of the IG;
- Inform the Secretary of the DHS and the Congress of serious problems and recommend corrective actions and implementation measures;
- Comply with the audit standards of the Comptroller General of the Government Accountability Office (GAO);
- Avoid duplication of GAO activities; and
- Report violations of Federal criminal law to the U.S. Attorney General.

For fiscal year 2007, the OIG is requesting 545 full-time equivalent (FTEs) work years. Of these FTEs, approximately 44% will be located in the Washington, D.C. headquarters office. The remainder will be located in 26 field offices in the following locations: Atlanta, Boston, Buffalo, Jersey City/New York, Marlton/Philadelphia, Northern Virginia (Washington Field Office), Miami, San Juan, St. Thomas, Chicago, Detroit, Indianapolis, Kansas City, Denton/Dallas, Houston, McAllen, El Paso, Del Rio, Laredo, Yuma, Tucson, El Centro, San Diego, El Segundo/Los Angeles, Oakland/San Francisco, and Seattle.

Approximately 59% of OIG employees are policy/program professional staff including auditors, management and program analysts, and information technology experts; approximately 30% of OIG employees are criminal investigators; and the remaining employees are senior executives, attorneys, management and administrative staff, and clerical employees.

B. Major Activities and Key Strategic Issues

During its first couple of years of existence, DHS has faced the challenge of effectuating the largest reorganization of the Federal government in more than half a century, and creating the third largest Cabinet agency with the critical, core mission of protecting the country against another terrorist attack. While DHS has made progress, it still has much to do to establish a cohesive, efficient, and effective organization.

In the FY 2006 report of management challenges, the OIG identified the following as the most serious management challenges facing DHS:

- Disaster Response and Recovery
- Consolidating the Department's components
- Contract Management
- Grants Management
- Financial Management
- Human Capital Management
- Integration of Information Systems
- Security of Information Technology (IT) Infrastructure
- Infrastructure Threat Assessment
- Border Security
- Transportation Security
- Trade Operations and Security

In addition, keeping with the priorities of both the Secretary and the Congress, the OIG will focus attention on DHS' "non-homeland" missions. Particular attention will be given to the Coast's Guard's "non-homeland" mission, as mandated by the *Homeland Security Act*, and to disaster response and recovery activities.

These programs and functions are not an all-inclusive inventory of the Department's activities. Rather, they represent those activities that are the core of the Department's mission and strategic objectives. By answering certain fundamental questions within each of these program and functional areas, the OIG will determine how well the Department is performing and will be able to recommend ways to improve the efficacy of the Department's programs and operations.

During FY 2005, we completed significant audit, inspection, and investigative work to promote the economy, efficiency, and effectiveness of DHS programs and operations. Similar accomplishments are anticipated for FY 2006 and FY 2007.

- During fiscal year 2005, the OIG issued 52 management reports (audits and inspections). In addition, we issued 53 audit reports on grants and contracts, and processed 208 reports on DHS programs that were issued by other organizations. As a result of these efforts, $58.7 million of questioned costs were identified, of which $26.7 million were determined to be unsupported.

- Additionally, audit recoveries totaled $24.5 million. The OIG is most pleased, however, with the positive response our reports have received from Departmental management. This is

demonstrated by the fact that management has concurred with over 90% of our recommendations.

- In the investigative area, we issued 498 reports. Our investigations resulted in 200 arrests, 135 indictments, and 109 convictions. Our investigators closed 639 investigations and 12,219 complaints received through the hotline. Additionally, investigative recoveries, fines, restitutions and administrative cost savings totaled $97.7 million.

We have a dual reporting responsibility, to the Congress as well as to the Secretary. During the reporting period, we continued our active engagement with Congress through numerous meetings, briefings, and dialogues with members and staff of the Department's authorizing and appropriations committees and subcommittees on a range of issues relating to our work and that of the DHS. The IG's statements for the record and the reports cited in the testimony are available on the OIG website at www.dhs.gov.

The key strategic issue facing the OIG is the ability to provide oversight of the most serious management challenges facing the Department, while providing oversight of Gulf Coast hurricane recovery operations. The additional resources requested in the FY 2007 budget will support the growing demands in these areas.

C. Resources Requested and Performance Impact

Current Services - FY 2007 performance will be similar to the expected FY 2006 performance. Expected FY 2006 performance is described below.

- Audit -The OIG plans for FY 2006 include issuing 30 program and financial audits in process at the end of FY 2005, as well as 23 new program audits that are to be initiated in FY 2006. It is anticipated that 30 grant audits will be issued. The OIG will continue to work closely with DHS management and Congressional oversight committees to identify potential audit work that will promote the effectiveness, efficiency, and economy of Departmental programs and operations.

- Information Technology (IT) - In FY 2006, OIG's IT office will evaluate the Department's progress in establishing a cost-effective and secure IT infrastructure. Specifically, the IT office will assess the progress DHS is making in consolidating its myriad networks and implementing a standard IT platform across the Department. In addition, OIG will evaluate the U.S. Coast Guard's Deepwater program to determine if it is following sound IT systems development and procurement practices. OIG will also assess DHS' data mining efforts to determine if they comply with security and privacy laws, policies, and procedures, and will evaluate the effectiveness of efforts to improve information sharing with state and local governments through the Homeland Secure Information Network. Further, OIG will conduct a series of reviews addressing the security aspects of laptop computers, radio frequency identification devices, and the Transportation Worker Identification Credentialing (TWIC) program. Finally, the IT office will assess DHS efforts to address significant deficiencies identified in the IT security program by ensuring that progress is made in developing components' Plans of Action and Milestones; ensuring that security policies and procedures are implemented Department-wide; and ensuring that all systems are adequately certified and accredited.

- Office of Inspections and Special Reviews (ISP) - This office's resources are employed to evaluate the effectiveness and vulnerabilities of DHS programs. ISP emphasizes reviews of DHS operations involving intelligence information management, infrastructure protection and mitigation, and the screening of foreign travelers. In addition to FY 2006 work surveying DHS intelligence components, ISP oversees DHS compliance with E.O. 12333 (intelligence on US persons) and reports quarterly to the President's Intelligence Oversight Board. ISP also will report on the incorporation of threat and risk based assessments into DHS' port security grant program. With respect to infrastructure protection and mitigation, ISP will review the National Asset Data Base and DHS' inventorying of critical infrastructure/key resources. In addition, ISP will examine DHS' coordination with other Federal agencies having cognizance for public sectors under the Emergency Support Functions of the National Response Plan; for example, DHS' work with the United States Department of Agriculture and the Food and Drug Administration regarding protection of the Food Sector. With respect to border screening, ISP has reported on and will continue to study aspects of DHS' role in visa integrity matters, remote surveillance technologies, and land border and maritime enforcement strategies. Lastly, ISP completed a special review on whether Immigration and Customs Enforcement and Customs and Border Protection should be merged; that review generated recommendations to DHS that will be the subject of a follow-up review in FY2006. ISP also will complete a special review of FEMA's preparation for and response to Hurricane Katrina. ISP is also designed to provide a quick response capability for the IG and DHS management when new controversies arise or as new DHS program initiatives may warrant.

- Investigations - The office will conduct internal inspections of the OIG Office of Investigations' Chicago, Miami, San Diego, and Dallas Field Offices as well as Headquarters Operations to ensure compliance with the President's Council for Integrity and Efficiency (PCIE) standards. External oversight reviews will be conducted at the U.S. Coast Guard's Investigative Service, the Federal Law Enforcement Training Center, and possibly of the Federal Air Marshal Program. Additionally, the Office of Investigations will conduct a PCIE Peer Review of the Housing and Urban Development (HUD) OIG Office of Investigations.

  In addition to upgrading the OIG case management system's hardware and software, when applicable and resources allow, we will also develop new features such as electronic receipt of complaints from the DHS bureaus, an agent time tracking module, and automating the submission and review of Reports of Investigation. These upgrades will result in greater customer support for our stakeholders, i.e., quicker response and retrieval time will allow for a more efficient and effective case management system.

Program Increases – The OIG is requesting 10 positions, 5 FTE and $12.44 million for FY 2007. The additional resources will provide the following:

- Gulf Coast Hurricane Recovery – The $11 million increase will allow the OIG to continue its oversight of contracts, grants, and governmental operations related to hurricane relief. Specifically, the OIG, will: monitor operations at the FEMA Emergency Operations Center to stay current on all disaster relief operations and provide on-the-spot advice; provide advice and perform proactive procedures related to the joint field offices' internal activities to ensure the appropriate control and use of FEMA funds; coordinate with the respective Federal, state, and local law enforcement agencies and prosecutors; handle allegations received through a single, OIG-wide, hurricane relief fraud hotline; work with the Attorney General's Hurricane Fraud

Task Force; review the administration of major contracts awarded with hurricane-relief funds to ensure that appropriate Federal acquisition regulations are being adhered to, and that expenditures are necessary and reasonable; provide continuous oversight of FEMA's control environment, financial and operational processes, and the effectiveness of internal controls to identify financial reporting issues early; and, closely monitor FEMA's approval of public assistance projects.

Personnel and Contract Support – The 10 positions, 5 FTE, and $1.44 million will provide the following:

- The additional resources will help to facilitate the expeditious resolution of the overwhelming number of incoming allegations of criminal conduct or egregious administrative misconduct on the part of DHS employees, contractors, and grantees. Currently, the average caseload per agent equals 13, which is approximately 3 times the average caseload in the law enforcement community (1794 open cases divided by 138 working field agents = DHS OIG agent to case ratio of 1/13).

- The additional resources will allow the Office of Audits to provided needed audit coverage in high priority areas such as the Department's major procurement efforts (e.g., MaxHR, Deepwater, U.S. VISIT, UNISYS, and ACE). With the additional resources, the Office of Audits will be able to issue two more audit reports per year in areas of interest to the Secretary, Congress, and the American people.

D. How Component Name Programs and Their Performance Goals Align to and Support the DHS Strategic Plan Objectives

The OIG program, and its performance goal are reflected below, followed by the DHS strategic goal/objective that the OIG program supports.

Audit, Inspections, and Investigations Program – Add value to the DHS programs and operations; ensure integrity of the DHS programs and operations; and enable the OIG to deliver quality products and services.

Organizational Excellence: 7.3 – Continually improve our way of doing business.

E. Performance Based Budget Highlights by Program

For the FYHSP program, the performance goal, performance measure, budget including allocation of non-programmatic overhead, and FTE are:

Performance Goal: Add value to the DHS programs and operations; ensure integrity of the DHS programs and operations; and enable the OIG to deliver quality products and services						
Measure: Percentage of recommendations made by OIG that are accepted by the Department of Homeland Security.	Fiscal Year	FY2003	FY2004	FY2005	FY2006	FY2007
	Target	n/a	Baseline	75%	79%	83%
	Actual	n/a	92%	93%	n/a	n/a
Program: Audits, Inspections, and Investigations Program	$ Thousands	$71,000	$80,318	$82,317	$82,187	$96,185
	FTE	456	457	502	540	545

F. Digest Tables by FYHSP Program

DIGEST OF FY 2007 BUDGET ESTIMATES BY ACTIVITY AND FYHSP PROGRAM
(dollars in thousands)

	FY2005 Actual		FY2006 Revised Enacted		FY2007 Estimate		Increase (+) or Decrease (-) For FY 2006					
							Total Changes		Program Changes		Other Changes	
Budget Activity	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUDGET ACTIVITY 1. Audits, Inspections, and Investigations	492	82,109	540	82,187	545	96,185	5	13,998	5	12,440	0	1,558
Unobligated budget expiring												
Subtotal, Budget Authority (All Sources)	492	82,109	540	82,187	545	96,185	5	13,998	5	12,440	0	1,558
Less Adjustments for Other Funding Sources:												
Total enacted appropriations and budget estimates	492	82,109	540	82,187	545	96,185	5	13,998	5	12,440	0	1,558

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Department of Homeland Security

Working Capital Fund

Fiscal Year 2007

Congressional Budget Justification

25756A

FY 2007 PRESIDENT'S BUDGET REQUEST STRATEGIC CONTEXT

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BUDGET REQUEST AND SUPPORTING INFORMATION EXPLANATION

DEPARTMENT OF HOMELAND SECURITY
WORKING CAPTIAL FUND

I. WORKING CAPITAL FUND OVERVIEW

A. Mission Statement and Description for Working Capital Fund (WCF)

Mission: To provide the most cost-effective support services throughout DHS. Through the WCF costs for shared services can be easily and efficiently distributed and recouped, an assessment of the most cost-effective service providers can be conducted, and oversight of shared services is centralized to ensure compliance with applicable laws and regulations.

The DHS WCF maintains and operates a fund that promotes economy, efficiency, and accountability. The WCF supports selected services, activities, and programs that benefit more than one DHS organizational component. Furthermore, the WCF supports the funding for government-wide initiatives as well as DHS crosscutting initiatives approved by OMB and Congress.

Implementation of the WCF allows DHS to apply best practices from the public and private sectors for improving organizational performance, operational efficiencies, and fully promote full cost recovery of goods and services for selected DHS agency-wide programs, activities, and services.

B. Current Budget Major Activities and Key Strategic Issues

The key WCF activities are organized under the five activity categories listed below:

Fee for Service Activity
DHS WCF activity managers provide or coordinate delivery of a specific service or benefit to DHS components. The benefit/cost for providing the WCF activity is tangible and is directly linked to a component's use of services or products. These activities may include subscription-type services such as providing access to electronic services, for example the Library of Congress' FEDLINK. These WCF activities earn revenue from the provision of services, and have characteristics typical of a business enterprise. The costs for operating the "business" are reimbursed by billing customers for the provision of goods and services, through rates that are pre-approved by the Chief Financial Officer (CFO) and reviewed by component customers. Each fee for service activity is expected to recover its operational costs, usually at a much lower cost as the components benefit from economies of scale. Examples include IT services, human resource services, procurement operations, and financial management services.

Tri-Bureau Service Activity
The WCF Tri-Bureau Service activity supports selected administrative services provided by and to Immigration and Customs Enforcement (ICE), U.S. Citizenship and Immigration Services (USCIS), and Customs and Border Protection (CBP). These services include human resources, and IT services supplied by DOJ.

Government-Wide Service Activity
Government-wide activities are Administration sponsored initiatives that are managed by a designated Federal department, to improve overall government performance. Other departments are assessed for the cost of supporting the activity. The activities should also provide a direct benefit to participating components. Examples include the government-wide E-Government initiatives related to the President's Management Agenda.

DHS Crosscutting Activity
The DHS crosscutting activities are department-wide programs managed by a single office that yield some benefit to all DHS components. The actual costs of the programs are recouped by redistributing the costs to the components based on their share of the discretionary budget, staffing or some other fair and equitable pro-rata basis.

WCF Management Activity
The WCF Management Activity includes funding for the staff that develops WCF policy and procedures, formulates and executes the WCF budget and negotiates issues between activity managers and customers.

Initiatives: The WCF office was established in FY 2004, and the WCF program has made considerable progress in FY 2005. The most important improvement was getting the WCF in synchronization with the appropriated budget request. Other initiatives included continued folding of common administrative services into the WCF, so that charges against components are consolidated. DHS also continued to improve cost methodologies for determining customer assessments for products and services received.

The WCF is improving visibility into the budget formulation and financial management of the WCF. During the last three cycles, the Office of the Chief Financial Officer (OCFO) developed a robust governance process and has made great strides to make the WCF fund transparent to all organizations within DHS, and to OMB and the Congress. In order to achieve the goals and objectives of the WCF, we will continue to:

- Incorporate the WCF programs fully into the DHS budget and FYHSP cycle, so customers can anticipate future charges and service providers can develop long-range plans.

- Continue to refine rate/pricing structures, so that the methodology logically relates to the particular services provided.

- Develop a robust review and oversight process to ensure activities funded by the WCF are in compliance with laws and regulations governing the centralized services.

- Integrate improved accountability by cascading performance goals and measures for each activity within the WCF. Performance guidance is in the development stages. Performance plans from each of the activity managers will be required for FY 2007 execution.

- Develop and conduct training for DHS staff, activity managers, and customers on WCF operating principles and procedures. Training is an ongoing part of the WCF budget formulation and execution process.

C. Budget Resource Request and Performance Impact Summary

The DHS WCF operating requirements for FY 2007 are estimated to be 279 FTEs and $474,426,448 reimbursable authority and 16,690,458 unobligated balance carried forward. This is an increase of $33,676,532 and 93 FTEs over the FY 2006 level. These funds are reimbursable from DHS organization elements and therefore, do not include any direct appropriated funds. The $16,690,458 unobligated balance carry forward will be used to maintain a positive cash balance for the fund as the WCF does not collect from components in advance and for prior year adjustments to existing WCF activities. Prior year adjustments will be billed to the applicable components so that the WCF recovers full cost of the funds.

In FY 2007, the WCF will continue most services and activities from FY 2006. The FY 2007 increase is primarily attributable to an additional 93 FTEs spread across the initiatives supported by the WCF and $12,963,052 approved for the office of procurement operations; $8,656,724 for Microsoft Licenses; $6,000,000 for operation and maintenance costs associated with the SMARTCARD, $4,891,564 for NFC payroll processing and $1,165,192 for base adjustments. Program increases will ensure that DHS can provide centralized administrative services at a cost savings to the components. The total amount requested also reflects the lower anticipated costs for Tri-Bureau services and government-wide services as compared to 2006.

D. How WCF Programs and Their Performance Goals Align To and Support DHS Strategic Plan Objectives.

WCF Program Performance Goal – Develop and maintain a WCF business model to provide centralized administrative services at a fair and equitable cost to organizations within DHS, as well as to maximize customer satisfaction, the utilization of resources and the benefits derived from a WCF.

Strategic Plan Objective 7.4: Improve the efficiency and effectiveness of the Department, ensuring taxpayers get value for their tax dollar.

E. Summary of FY 2007 Budget Estimates by WCF Activity Category

Digest of FY 2007 Budget Estimates by WCF Activity Category
Dollars in Thousands

	FY 2005 Actuals * [1]		FY 2006 Anticipated ** [2]		FY 2007 Anticipated [2]		Increases (+) or Decrease (-) For FY 2007					
							Total Changes		Program Changes		Adjustments-to-	
Budget Activity Category	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Unobligated Balance	-	$ 55,015	-	$ 31,690	-	$ 16,690	-	-	-	-	-	-
New Budgetary Authority	65	$ 279,543	186	$ 440,750	279	$ 474,426	93	$ 33,676	-	-	-	-
Rescission	-	$ (20,000)	-	$ (15,000)	-	-	-	-	-	-	-	-
Total Budgetary Resources	65	$ 314,558	186	$ 457,440	279	$ 491,116	93	$ 33,676	0	$ -	0	$ -
New Obligations												
Fee for Service Activity	61	$ 245,081	179	$ 345,161	272	$ 379,461	93	$ 34,300	93	$ 32,511		$ 1,789
Tri-Bureau Activity	-	-	-	$ 60,939	-	$ 60,043	-	$ (896)	-	-	-	$ (896)
Government-wide Activity	-	$ 25,927	-	$ 25,890	-	$ 25,280	-	$ (610)	-	-	-	$ (610)
DHS Crosscutting Activity	-	$ 9,671	1	$ 7,841	1	$ 8,699	-	$ 858	-	-	-	$ 858
WCF Management Activity	4	$ 619	6	$ 919	6	$ 943	-	$ 24	-	-	-	$ 24
Sub-Total WCF Program	65	$ 281,298	186	$ 440,750	279	$ 474,426	93	$ 33,676	93	$ 32,511	0	$ 1,165
Prior Year Adjustments	-	$ 1,570	-	-	-	-	-	-	-	-	-	-
Total WCF Obligations	65	$ 282,868	186	$ 440,750	279	$ 474,426	93	$ 33,676	93	$ 32,511	0	$ 1,165
Unobligated Balance Carried Forward, End of Year	-	$ 31,690	-	$ 16,690	-	$ 16,690	-	-	-	-	-	-

*Reflects rescission enacted in Public Law 109-013.
**Reflects rescission enacted in Public Law 109-90.
1 FY 2005 Actual obligations include $281,298,114 for reimbursable obligations and $1,569,968 for direct charges against the unobligated balance for prior year bills received from DOL for e-Gov-Benefits; from NFC for Payroll Services and Reporting; from OPM for Recruitment One-Stop.
2 The President's Appendix for FY 2006 and FY 2007 inadvertently included $36.5 M for Homeland Secure Data Network (HSDN) and $5.8M for DOJ IT Data Center Services.

Department of Homeland Security
Working Capital Fund
FY 2006 to FY 2007 Budget Change
(Dollars in Thousands)

	Pos.	FTE		Amount
2005 Actual 1	181	65	$	282,868
2006 Anticipated 2	186	186	$	440,750
Adjustments-to-Base				
FTE Increase			$	-
Annualization of prior year part year funding	0	0	$	1,441
Annualization of 2005 pay raise	0	0	$	22
2006 pay increase	0	0	$	16
Pay for performance	0	0	$	-
Within-grade increases	0	0	$	7
Non-pay adjustments	0	0	$	5,915
Total, increases	0	0	$	7,401
Base Decreases				
FTE Decrease	0	0	$	-
Termination of one-time costs	0	0	$	(1,228)
Other	0	0	$	(5,008)
Total, decreases	0	0	$	(6,236)
Total Adjustments-to-Base	**0**	**0**	**$**	**1,165**
2007 Base	186	186	$	441,915
Program Changes:				
Fee for Service Activity	93	93	$	32,511
Tri-Bureau Service Activity	0	0	$	-
Government-Wide Mandated	0	0	$	-
DHS Crosscutting Activities	0	0	$	-
WCF Management	0	0	$	-
Total Program Changes	**93**	**93**	**$**	**32,511**
2007 Anticipated 2	279	279	$	474,426
2006 to 2007 Total Change	**93**	**93**	**$**	**33,677**

1 FY 2005 Actual obligations include $281,298,114 for reimbursable obligations and $1,569,968 for direct charges against the unobligated balance for prior year bills received from DOL for e-Gov-Benefits; from NFC for Payroll Services and Reporting from OPM for Recruitment One-Stop.

2 The President's Budget Appendix for FY 2006 and FY 2007 inadvertently included $36.5 M for Homeland Secure Data Network (HSDN) and $5.8 for DOJ IT Data Center services.

Department of Homeland Security
Working Capital Fund
Summary of Requirements
(Dollars in Thousands)

	2007 Anticipated		
	Perm. Pos.	FTE	Amount
2005 Actual [1]	181	65	$ 282,686
2006 Anticipated [2]	186	186	$ 440,750
Adjustments-to-Base (See "FY 2006 to FY 2007 Budget Change for details)			
Increases	-	-	$ 7,401
Decreases	-	-	$ (6,236)
Total Adjustments-to-Base			$ 1,165
2007 Base	**186**	**186**	**$ 441,915**
Program Increases/Decreases (See "FY 2006 to FY 2007 Budget Change for details)	93	93	$ 32,511
2007 Anticipated [2]	**279**	**279**	**$ 474,426**
2006 to 2007 Total Change	93	93	$ 33,677

	2006 Anticipated			2007 Adjustments-To-Base			2007 Base			Program Change			2007 Anticipated		
Estimates by Program/Project Activity	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount	Pos.	FTE	Amount
2 Working Capital Fund	186	186	$ 440,750	-	-	1,165	186	186	441,915	93	93	32,511	279	279	474,426

[1] FY 2005 Actual obligations include $281,298,114 for reimbursable obligations and $1,569,968 for direct charges against the unobligated balance for prior year bills received from DOL for e-Gov-Benefits; from NFC for Payroll Services and Reporting; from OPM for Recruitment One-Stop.

[2] The President's Budget Appendix for FY 2006 and FY 2007 inadvertently included $36.5 M for Homeland Secure Data Network (HSDN) and $5.8 for DOJ IT Data Center services.

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3. Justification of Program Changes

Description of Item
Working Capital Fund (WCF) – Base Adjustments: $1,165,192 and Program Changes: $32,511,340 and 93 FTEs for a total increase of $ 33,676,532 and 93 FTEs

Justification
(1) Fee for Services Activities – Base Adjustments: $1,789,033 and Program Changes: $32,511,340 and 93 FTEs
DHS WCF requests additional funding for the Fee for Services Activities. The base adjustment increase for inflation amounts to $1,789,033. The following activities request a program change in order to provide full services to DHS customer components:

- Procurement Operations ($12,963,052 and 93 FTE) – The additional requested resources will provide Office of Procurement Operations (OPO) the growth to meet procurement and industry standards and best practices. OPO provides full service acquisition support to the Office of the Secretary, the Undersecretary for Management, Science and Technology, U.S. Citizenship and Immigration Services, Preparedness Directorate, Office of Intelligence and Analysis and Office of Operations Coordination and Intel Analysis, and US Visit. In addition, OPO provides acquisition services for department-wide acquisition initiatives identified by both the Chief Information Officer and the various commodity councils within DHS. Services provided include acquisition planning, training, execution, and administrative services.

  In response to a GAO report, the Chief Procurement Officer in 2004 commissioned a study to determine the staffing levels needed to support the procurement and acquisition support required of the clients the OPO serves. As a result of this study, The CPO has requested a planned increase in OPO FTE for FY 2005 and FY 2007. OPO requires the increase of 93 FTE for FY 2007, allowing for sustained growth to meet procurement and industry standards and best practices. As a fee for service organization, the OPO ensures the Components competitive pricing and will lead the department in acquisition quality and innovation.

- SmartCard ($6,000,000) – The additional requested resources will provide DHS with digital certificates and certificate validation services for the DHS smartcards. There is a clear need for secure and reliable forms of identification for both cyber and physical access, as required by Homeland Security Presidential Directive (HSPD)-12 dated 27 August 2004. HSPD-12, entitled "Policy for a Common Identification Standard for Federal Employees and Contractors," directed implementation of a Federal standard identification card for secure and reliable forms of identification for Federal employees and contractors to be used for both physical and cyber authentication. It further specified secure and reliable identification that is issued based on: sound criteria for verifying an individual

employee's identity, strongly resistant to identity fraud, tampering, counterfeiting, and terrorist exploitation, can be rapidly authenticated electronically, by providers whose reliability has been established by an official accreditation process and a common, secure and reliable form of identification is in keeping with the Department of Homeland Security Strategic Plans.

There is also a need to increase Department efficiency by providing an authentication basis for Single Sign On (SSO), reduce identity fraud, and protect personal privacy and to have a universal standard for secure and reliable forms of identification issued by the Department to its employees and contractors (including contractor employees). Current identification and credentialing has been issued by the Department's twenty-two (22) diverse agencies across a spectrum of non-standardized documents and tokens creating management complications and problems for both cyber and physical security.

This program provides Public Key Infrastructure (PKI) services which include issuance of Identification, Signature and E-Mail Encryption certificates for 174,800 smart card users. It includes certificate validation services designed to support mission critical applications and support for each certificate user. This investment will support integration of and support single sign on for work processes that are being simplified or otherwise redesigned to reduce lifecycle costs, improve effectiveness, and make maximum use of commercial, off-the-shelf technology.

The Smart Card program is managed by the Office of the Chief Security Officer (OCSO) and the PKI program is managed by the Office of the Chief Information Officer (OCIO). The FY 2007 request is for PKI services which include: Identification, Signature and E-Mail Encryption certificates for 82,800 smart card users, certificate validation services and support for each user. This initiative combines the cyber security infrastructure and the physical security infrastructure in a single enterprise-wide security model by requiring a single universally accepted FIPS token, the DHS Access Card.

- Microsoft Licenses ($8,656,724) – The additional requested resources will provide DHS with access on an enterprise basis for a core suite of specific Microsoft applications (MS Office, MS Windows, Core Cals), and to all other MS products on an ala carte basis. Microsoft products include the software needed for the individual desktop, laptop, and server platforms. Microsoft is utilized by over 95% of DHS and the Department achieves economies of scale using this contract vehicle.

- National Finance Center (NFC) Payroll Services ($4,891,564) – The additional resources will provide DHS with the full amount estimated by NFC for payroll services and support. NFC Services provided to DHS components include payroll processing, payroll tax reporting, payroll accounting, debt management and earnings and leave statements and other payroll related services. In addition, NFC requires one point of contact with all Federal agencies for customer service,

therefore, Chief Human Capital Office (CHCO) continues to service in this capacity on behalf of the components. Any change in payroll requirements would be coordinated directly between CHCO staff and the NFC, on behalf of the components.

(2) Tri-Bureau Services – Base Adjustments: $(896,186)
FY 2007 Tri-Bureau services net decrease is attributable to a reduction in IT services cost, which was initiated during the FY06 formulation process by the Department of Justice (DOJ) Working Group, who performed an analysis to clarify IT services that DHS would require from DOJ and all the associated costs. At the time the components involved were ICE, CBP, CIS, and HQ. Recently CBP migrated to their own Data Services Center and no longer require the services from DOJ, and therefore no longer have associated costs in either FY06 or FY07. The agreement with DOJ has been revised changing the estimated charges for ICE, CIS, and HQ.

(3) Government-wide Activities: Base Adjustments: $(609,929)
The decrease in the amount for Enterprise HR Integration far exceeded the minor increases for the other Government-wide initiatives resulting in an overall decrease in the FY 2007 base.

(4) DHS Crosscutting Activities: Base Adjustments: $858,389
DHS WCF requests additional funding for the Crosscutting activities to include additional contract support for the Capital Planning and Investment Control and Strategic Sourcing. Strategic Sourcing Operations plan to increase the number of Contract review boards to ensure that DHS gets the best price on major competitive contracts.

(5) WCF Management Activity- Base Adjustments: $23,885
DHS WCF requests additional funding for the WCF operations to ensure compliance with Congressional guidance and provide oversight to the increased number of WCF activities approved for the WCF. The WCF will continue to improve cost methodologies in determining customer assessments for products and services received.

Please see the WCF Customer Service Activity Guide, beginning on page WCF 21, for a more thorough description of these activities.

4. Summary of Requirements by Object Class

Department of Homeland Security
Working Capital Fund
(Dollars in Thousands)

Object Classification		FY 2007 - WCF SPEND PLAN			
		2005 Actual /1	2006 Anticipated /2	2007 Anticipated /3	2006 - 2007 Change
11.1	Perm Positions	$ 6,610	$ 19,273	$ 25,865	$ 6,592
11.5	Other per comp	$ 127	$ 262	$ 415	$ 152
12.1	Benefits	$ 1,521	$ 7,575	$ 9,399	$ 1,824
21.0	Travel	$ 50	$ 3,075	$ 3,171	$ 96
22.0	Transportation of things	$ -	$ 310	$ 316	$ 6
23.1	GSA rent	$ 17,067	$ 33,453	$ 36,111	$ 2,658
23.2	Other rent	$ 61	$ 690	$ 716	$ 26
23.3	Communication, Utilities, and misc charges	$ 2,386	$ 10,061	$ 12,332	$ 2,271
24.0	Printing	$ -	$ 69	$ 50	$ (19)
25.1	Advisory & Assistance Services	$ 50,242	$ 9,571	$ 9,836	$ 265
25.2	Other Services	$ 10,024	$ 257,028	$ 260,041	$ 3,012
25.3	Purchase from Govt. Accts.	$ 183,706	$ 530	$ 548	$ 18
25.4	Operation & maintenance of facilities	$ -	$ 100	$ 102	$ 2
25.5	Research & Development	$ -	$ 500	$ 500	$ -
25.7	Operation & maintenance of equipment	$ 6,619	$ 77,760	$ 86,447	$ 8,687
26.0	Supplies & materials	$ 197	$ 717	$ 1,026	$ 309
31.0	Equipment	$ 2,687	$ 19,773	$ 27,551	$ 7,777
	Capitalized Equipment	$ -	$ 1,051	$ 1,484	$ 433
	Non-Capitalized Equipment		$ 18,470	$ 25,814	$ 7,344
Sub-Total Salary & Benefits (OC 11-13)		**$ 8,258**	**$ 27,111**	**$ 35,679**	**$ 8,568**
Sub-Total Non-Personnel (OC 21-91)		**$ 273,040**	**$ 413,639**	**$ 438,747**	**$ 25,108**
Total		**$ 281,298**	**$ 440,750**	**$ 474,426**	**$ 33,677**
Full Time Equivalents		**65**	**186**	**279**	**93**
Contractors		**46**	**78**	**80**	**2**

[1] FY 2005 Actual obligations include $281,298,114 for reimbursable obligations and $1,569,968 for direct charges against the unobligated balance for prior year bills received from DOL for e-Gov-Benefits; from NFC for Payroll Services and Reporting; from OPM for Recruitment One-Stop.

[2] The President's Budget Appendix for FY 2006 and FY 2007 inadvertently included $36.5 M for Homeland Secure Data Network (HSDN) and $5.8 for DOJ IT Data Center services.

Department of Homeland Security

Working Capital Fund

WCF Permanent Positions by Grade

Grade	2005 Actual Total	2006 Anticipated Total	2007 Anticipated	2006 to 2007 Change Total
Total, SES	1	1	1	0
Total, EX				0
GS-15	14	59	59	0
GS-14	34	67	164	97
GS-13	8	44	49	5
GS-12	5	9	3	-6
GS-11	1	3	2	-1
GS-10				0
GS-09	1	2	1	-1
GS-08				0
GS-07	1	1	0	-1
GS-06				0
GS-05				0
GS-04				0
GS-03				0
GS-02				0
Other Graded Positions				0
Ungraded Positions	0	0	0	0
Total Permanent Positions	**65**	**186**	**279**	**93**
Unfilled Positions EOY	0	7	93	86
Total Perm. Employment EOY	**65**	**179**	**186**	**7**
FTE	65	186	279	93
Headquarters	**65**	**186**	**279**	**93**
U.S. Field				0
Foreign Field				0
Total	65	186	279	93
Position Data				
Average Salary, ES Positions	$ 128,375	$ 130,904	$ 133,915	$ 3,011
Average Salary, GS Positions	$ 102,537	$ 102,740	$ 106,335	$ 3,595
Average Grade, GS positions	14.5	14.4	14.6	0.20

A. Budget Justifications

1. Description of FY 2005 – FY 2007 Object Class Changes

Summary Justification and Explanation of Changes

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Salaries and Benefits	$ 8,258	$ 27,111	$ 35,679	$ 8,568

Salaries and Benefits includes costs for 279 FTEs. The FY 2007 request includes an increase of $8,568,156 for annualization costs and an additional 93 FTE for Procurement Operations.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Travel	$ 50	$ 3,075	$ 3,171	$ 96

Travel includes all costs of transportation of persons, subsistence of travelers, an incidental travel expenses in accordance with Federal travel regulations. The FY 2007 request includes increase to support the additional 93 FTE for procurement operations funded by the Working Capital Fund and increase in anticipated ridership using the shuttle service.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Transportation of Things	$ -	$ 310	$ 316	$ 6

Transportation of things includes all costs of the care of such things while in process of being transported, and other services incident to the transportation of things. The FY 2007 increases reflects the additional cost to support staff and the inflationary cost factor.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
GSA rent	$ 17,067	$ 33,453	$ 36,111	$ 2,658

GSA Rent includes all payments to General Services Administration (GSA) for rental of workspace and related services for federal client agencies. The FY 2007 cost is estimated to increase $2,658,249. This includes rate increase for changes in workspace requirements caused by the growing number of FTEs needed to support and fulfill the mission of the various headquarters activities, particularly the Office of Procurement Operations (OPO).

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Other Rent	$ 61	$ 690	$ 716	$ 26

Other rent includes all payments to a non-Federal source for rental space, land, and structures. The FY 2007 cost is projected to increase due to anticipated additional rental space requirements

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Communication, Utilities, and miscellaneous	$ 2,386	$ 10,061	$ 12,332	$ 2,271

Communications, utilities, and miscellaneous charges include all payments for rental or lease of information technology equipment and services, postal services and rentals, and utility services. The FY 2007 increase is projected to be $2,270,764 in support of the additional HQ personnel headcount based on a "per seat" cost. This increase includes charges for local phone services and long distance per seat. The remaining costs cover cell phones and miscellaneous costs that are required to support the mission.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Printing	$ -	$ 69	$ 50	$ (19)

Printing includes all costs for printing and reproduction obtained from the private sector or from other Federal enteritis. A decrease is anticipated primarily due to efficiencies realized from common processes of duplicating, contractual printing and reproduction.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Advisory and Assistance Services	$ 50,242	$ 9,571	$ 9,836	$ 265

Advisory and assistance services include services acquired by contract from non-Federal sources (that is the private sector, foreign governments, State and local governments, tribes, etc.) as well as from other units within the Federal Government. The FY 2007 anticipated increase is attributable to the increased cost from inflation.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Other Services	$ 10,024	$ 257,028	$ 260,041	$ 3,012

Other services include contractual services with non-Federal sources that are not otherwise classified under Object Class 25. The FY 2007 request included increases for several contracts as follows: Financial Statement Audit, Internal Control Audit, Tri-Bureau HR Services, and the Booz-Allen contract.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Purchase from Government Accounts	$ 183,706	$ 530	$ 548	$ 18

Purchases from Government Accounts include costs for purchases from other Federal Government agencies or accounts that are not otherwise classified. In FY 2007, the increase is due primarily to the effect of inflation on goods and services and non-pay increases.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Operation & maintenance of facilities	$ -	$ 100	$ 102	$ 2

Operation and maintenance of facilities include all payments for the operation and maintenance of facilities when done by contract with the private sector or another Federal Government account.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Operation & Maintenance of equipment	$ 6,619	$ 77,760	$ 86,447	$ 8,687

Operation and maintenance of equipment includes costs for operation, maintenance, repair, and storage of equipment, when done by contract with the private sector or another Federal Government account. The FY 2007 request reflects the addition of the SMARTCARD services and an increase for inflation in NCR services.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Supplies & materials	$ 197	$ 717	$ 1,026	$ 309

Supplies and materials are defined as commodities that are (a) ordinarily consumed or expended within one year after they are put into use, (b) converted in the process of construction or manufacture, (c) used to form a minor part of equipment or property. For FY 2007, the increase is due primarily to inflation.

	FY 2005 Actual	FY 2006 Anticipated	FY 2007 Anticipated	FY 2007 Change
Equipment	$ 2,687	$ 19,773	$ 27,551	$ 7,777

Equipment includes all costs for the purchases of personal property of a durable nature or the initial installation of equipment when performed under contract. The FY 2007 request reflects an increase in the utilization of $8,642,141 in Microsoft Enterprise Licenses and termination of one-time costs bringing the actual increase to $7,777,419.

B. Budget Details by Activity and Component

1. WCF Summary of Estimated Funding by Activity

	FY 2005 Actual /1		FY 2006 Anticipated /2		FY 2007 Anticipated /2	
Fee for Service Activity	**FTE**	**Amount**	**FTE**	**Amount**	**FTE**	**Amount**
GSA RENT	-	16,634,238	2	30,986,000	2	32,064,500
FEDLINK/(Library of Congress)	-	10,142,426	3	10,329,000	3	10,546,000
Sedan Services	-		-	1,220,000	-	1,240,740
Shuttle Services	-		1	1,810,000	1	1,840,770
Transit Subsidy	-		-	1,500,000	-	1,525,500
Mail Ops	-		-	4,570,000	-	3,357,197
Parking	-		1	273,000	1	277,641
Financial Management (Finance & Acctg Shared Services)	-	12,715,238	-	27,549,600	-	28,017,943
Financial Statement Audit	-	10,800,452	-	12,606,878	-	13,322,507
Internal Control Audit	-		-	6,000,000	-	6,440,800
Financial Management (Booz- Allen)	2	1,450,000	4	3,458,229	4	3,587,972
Bankcard Program	-	494,528	-	528,179	-	521,967
TIER	-	477,304	-	627,297	-	677,746
NFC Payroll Services & Reporting	-	10,717,290	-	26,205,990	-	31,097,554
HQ Human Capital (YRCI Services)	1	7,110,278	4	9,238,904	4	7,226,704
HCBS/Payroll Service Ops	3	1,069,985	16	5,224,823	16	5,334,544
Flexible Spending Plan	-	577,405	-	1,000,000	-	1,000,000
DHS Executive Leadership Development/Secretary's Leadership Conference	-	200,000	-	610,000	-	620,370
HQ Executive Leadership Development (TEI; SES FORUM and General Workforce Trng)	-	339,593	1	452,381	1	430,951
Employee Assistance Program	-	44,832		46,800		46,800
CIO/DHS Infrastructure Transf Pgm	-	49,790,000	10	49,790,000	10	49,790,000
NCR Infrastructure Operations	1	27,977,036	9	103,674,864	9	105,437,336
Homeland Secure Data Networks	-	46,200,000	-	0	-	0
- Software Enterprise Licenses - Microsoft	-	21,918,661	1	17,569,914	1	26,226,638
Software Enterprise Licenses - Certification & Accreditation	-	5,145,000	-	0	-	0
Software Enterprise Licenses - Autonomy	-	508,578	-	0	-	0
SMARTCARD	-	3,000,000	-	0	-	6,000,000
Toner Contract	-	1,013,526	-	0	-	0
Procurement Operations	54	16,500,000	127	29,715,948	220	42,679,000
Board of Contract Appeals	-	135,000	-	150,000	-	150,000
EMALL Support	-	120,000	-	-	-	-
Government Advisory Committee Survey Training	-	0	-	523,000		$0
Sub-Total	61	245,081,370	179	345,160,807	272	379,461,180

	FY 2005 /1		FY 2006 /2		FY 2007	
Tri-Bureau Service Activity	**FTE**	**Amount**	**FTE**	**Amount**	**FTE**	**Amount**
Tri-bureau Human Resources Shared Services - CBP Service Provider	-	-	-	24,636,098	-	25,954,912
IT Services from DOJ	-	-	-	36,303,000	-	34,988,000
Sub-Total	-	-	0	60,939,098	-	60,042,912

WCF Summary of Estimated Funding by Activity

Government-wide Mandated Service Activity	FTE	Amount	FTE	Amount	FTE	Amount
Interagency Council Funding	-	691,095	-	691,095	-	702,844
Recruitment One-Stop	-	190,000	-	399,085	-	419,039
e-Training	-	2,285,000	-	2,285,000	-	2,285,000
Enterprise HR Integration	-	3,710,000	-	4,943,588	-	4,142,634
Business Gateway	-	725,146	-	825,216	-	850,000
e-Rulemaking	-	885,000	-	825,000	-	850,000
e-Travel	-	721,000	-	804,795	-	829,000
Case Management Line of Business	-	500,000	-	500,000	-	515,000
e-Grants.gov	-	452,680	-	452,680	-	478,000
e-Authentication	-	393,000	-	450,000	-	463,000
Human Resources Line of Business	-	181,819	-	181,818	-	181,818
e-govBenefits	-	161,000	-	161,282	-	161,282
Financial Management Line of Business	-	83,000	-	83,333	-	85,000
e-gov Integrated Acquisition Environment	-	1,411,448	-	1,017,654	-	1,048,000
e-gov Disaster Management (DisasterHelp.gov)	-	11,987,092	-	12,270,000	-	12,270,000
e-gov SAFECOM	-	1,550,000	-	0	-	0
Sub-Total	**0**	**25,927,280**	**0**	**25,890,546**	-	**25,280,617**
		FY 2005 /1		**FY 2006 /2**		**FY 2007**
DHS Crosscutting Activity	**FTE**	**Amount**	**FTE**	**Amount**	**FTE**	**Amount**
Capital Planning and Investment Control (CPIC)	-	4,500,000	-	4,563,000	-	4,640,571
Ready Campaign (Ready.gov)	-	505,800	-	595,000	-	607,000
Strategic Sourcing	-	300,000	-	1,870,000	-	2,625,000
Competitive Sourcing	-	200,000	-	202,800	-	206,248
CPO Shared Reporting	-	165,000	1	610,000	1	620,370
Information Sharing & Collaboration Pgm	-	4,000,000	-	-	-	-
Sub-Total	**0**	**9,670,800**	1	**7,840,800**	1	**8,699,189**
		FY 2005 /1		**FY 2006 /2**		**FY 2007**
Working Capital Fund Operations	4	618,663	6	918,665	6	942,550
Sub-Total	**4**	**618,663**	**6**	**918,665**	6	**942,550**
Grand Totals	**65**	**281,298,114**	**186**	**440,749,916**	**279**	**474,426,448**

/1 FY 2005 Actual obligations include $281,298,114 for reimbursable obligations and $1,569,968 for direct charges against the unobligated balance for prior year bills received from DOL for e-Gov-Benefits; NFC for "NFC Payroll Services and Reporting"; Procurement Operations for Chief Procurement Officer ; Recruitment One-Stop.

/2 The President's Budget Appendix for FY 2006 and FY 2007 inadvertently included $36.5 M for Homeland Secure Data Network (HSDN) and $5.8 for DOIT Data Center services.

2. WCF Summary of Estimated Assessments by Components FY 2005 - FY 2007

Component	FY 2005 Actuals as of 9/30/2005 /1	FY 2006 Anticipated /2	FY 2007 Anticipated /2
U.S. Customs & Border Protection	35,746,048	27,816,866	30,094,931
Federal Law Enforcement Training Center	1,087,706	907,506	1,100,101
U.S. Immigration & Customs Enforcement	37,534,594	62,130,318	65,218,536
Office of State & Local Government Coordination	5,972,365	0	0
Transportation Security Administration	20,922,092	38,015,875	42,441,471
Federal Emergency Management Agency	18,566,596	12,017,612	12,646,164
Information Analysis & Infrastructure Protection Directorate	36,180,271	0	0
Under Secretary for Prepardness Directorate	0	56,337,440	62,668,063
Operations Coordination & Intel and Analysis	0	37,941,500	37,905.864
Office of the Inspector General	857,427	986,402	985,215
Science & Technology Directorate	16,014,058	36,310,189	38,336,177
Domestic Nuclear Detention Office /3	0	7,012,406	9,848,586
U.S. Coast Guard	16,050,733	17,875,084	27,999,540
U.S. Citizenship & Immigration Services	8,259,626	46,555,886	44,646,317
U.S. Secret Service	9,220,947	6,515,798	7,540,708
BTS - Office of the Under Secretary	1,003,973	0	0
U.S. Visit	4,685,797	11,122,184	12,965,304
Screening Coordination & Operations	0	99,354	81,075
Departmental Management & Operations	69,195,881	79,105,496	$79,948,396
Total FY 2007 Working Capital Fund	$281,298,114	$440,749,916	$474,426,448

[1] FY 2005 Actual obligations include $281,298,114 for reimbursable obligations and $1,569,968 for direct charges against the unobligated balance for prior year bills received from DOL for e-Gov-Benefits; from NFC for Payroll Services and Reporting; from OPM for Recruitment One-Stop.

[2] The President's Budget Appendix for FY 2006 and FY 2007 inadvertently included $36.5 M for Homeland Secure Data Network (HSDN) and $5.8 for DOJ IT Data Center services.

DEPARTMENT OF HOMELAND SECURITY
WORKING CAPITAL FUND
FY 2005 Summary of Actual Assessments by Component - CFO Final 9/30/05

Fee for Service Activity	CBP	FLETC	ICE	OSLGCP/ODP	TSA	EPR	IAIP	IG	S&T
GSA Rent	0	0	0	0	0	0	2,674,276	0	471,271
FEDLINK (Library of Congress)	2,780,746	18,657	3,784,996	0	625,309	109,874	150,113	0	551,005
Financial Management (Finance & Acctg Shared Services)	0	0	0	0	0	0	2,962,058	0	2,980,137
Financial Statement Audit	1,862,662	83,223	1,546,932	552,294	656,315	1,078,313	122,091	168,804	169,441
Financial Management (Booz-Allen)	0	0	0	0	0	0	0	0	0
Bankcard Program	271,990	12,363	64,783	0	93,960	22,254	1,978	0	0
TIER	34,093	34,093	34,093	34,093	34,093	34,093	34,093	34,093	34,093
NFC Payroll Services & Reporting	4,825,824	120,479	1,758,714	0	0	2,033,159	36,509	52,371	16,492
NFC Payroll Services & Reporting (3rd Party Debt - CIO)	0	0	0	0	0	0	0	214	0
HQ Human Capital (WKC)	0	0	0	646,986	0	0	2,637,207	0	1,050,942
HCBS/Payroll Service Ops	481,807	12,029	175,589	0	0	202,989	3,645	5,229	1,647
Flexible Spending Plan	172,172	3,922	61,938	827	220,472	10,683	3,372	2,108	1,344
DHS Executive Leadership Development Program	28,819	2,697	17,341	1,156	57,803	20,424	4,239	3,854	4,239
e-Treasury Executive Institute	0	0	0	3,226	0	0	11,830	0	11,830
Government Advisory Committee Survey Training	0	0	0	0	0	0	0	0	0
HQ Executive Training	0	0	0	2,812	0	0	10,311	9,373	10,311
HQ SES Forum	0	0	0	796	0	0	2,919	2,653	2,919
Employee Express	0	0	13,050	0	2,141	11,664	2,252	3,071	2,127
Employee Assistance Program	0	0	0	3,312	0	0	12,498	8,439	5,379
CIO/DHS Infrastructure Transf Pgm	4,000,000	30,000	10,000,000	590,000	10,000,000	4,000,000	7,120,000	0	3,200,000
NCR Infrastructure Operations	0	0	0	0	0	0	0	305,884	0
Homeland Secure Data Networks	4,289,680	0	5,658,480	540,560	464,000	2,591,440	7,219,840	0	677,440
Homeland Secure Data Networks Phase 2	4,179,262	0	3,036,218	0	452,057	2,524,736	7,033,998	0	660,003
Software Enterprise Licenses - Microsoft	3,764,541	554,346	5,940,056	2,164	0	2,881,996	727,978	175,384	0
Software Enterprise Licenses - Credentialing & Accreditation	1,196,168	20,675	640,910	10,337	1,126,761	671,922	118,140	0	19,198
Software Enterprise Licenses - Autonomy	139,069	0	0	0	181,744	7,546	2,280	0	0
SMARTCARD	940,016	21,414	338,168	4,517	1,203,719	58,225	18,410	11,609	7,337
Toner Contract	0	0	0	0	0	0	546,583	0	0
Procurement Operations	0	0	0	1,222,222	0	0	2,444,444	0	4,277,778
Board of Contract Appeals	30,633	1,299	18,357	1,402	19,054	2,809	5,223	481	6,519
EMALL Support	10,832	5,131	14,537	0	15,107	11,401	578	0	1,710
Sub-Total	**$29,005,394**	**$890,328**	**$33,103,159**	**$3,626,704**	**$15,152,535**	**$16,273,828**	**$33,907,857**	**$783,467**	**$13,963,162**

Government-Wide Mandated Service Activity	CBP	FLETC	ICE	OSLGCP/ODP	TSA	EPR	IAIP	IG	S&T
Interagency Council Funding	156,815	6,852	93,971	2,176	97,543	14,380	26,738	2,463	33,372
Recruitment One Stop	56,655	1,291	20,381	274	72,548	3,515	1,210	694	442
e-Training	528,727	12,044	190,208	2,540	677,051	32,806	10,288	6,474	4,127
Enterprise HR Integration (EHRI)	1,106,257	25,200	397,973	5,315	1,416,595	68,640	21,666	13,545	8,634
Business Gateway	164,542	6,980	98,601	7,529	102,349	15,088	28,055	2,584	35,016
e-Rulemaking	200,814	8,519	120,337	9,189	124,911	18,415	34,240	3,154	42,735
e-Travel	166,833	3,800	60,018	802	213,634	10,352	3,267	2,043	1,302
Case Management Line of Business	192,188	0	246,921	0	0	0	0	0	0
e-Grants.gov	0	0	778	401,221	15,814	20,313	7,533	0	1,645
e-Authentication	90,936	2,072	32,714	437	116,447	5,642	1,781	1,113	710
Human Resources Line of Business	54,216	1,235	19,504	260	69,426	3,364	1,062	664	423
e-gov Benefits	48,005	1,094	17,271	231	61,475	2,979	940	588	375
GeoSpatial One-Stop	0	0	0	0	0	0	0	0	0
Financial Management Line of Business	18,833	799	11,286	862	11,715	1,727	3,211	296	4,008
e-Records Management	0	0	0	0	0	0	0	0	0
e-gov Integrated Acquisition Environment	320,371	13,591	191,982	14,660	199,278	29,378	54,625	5,031	68,179
e-gov Disaster Management (DisasterHelp.gov)	1,015,366	0	1,015,366	1,796,417	1,015,366	3,677,219	1,640,207	0	1,366,839
e-gov SAFECOM	373,271	9,227	526,107	0	120,496	125,429	0	0	0
Sub-Total	**$4,493,828**	**$92,504**	**$3,043,418**	**$2,246,911**	**$4,314,846**	**$4,029,247**	**$1,834,796**	**$38,049**	**$1,567,806**

DHS Secretary Crosscutting Activity	CBP	FLETC	ICE	OSLGCP/ODP	TSA	EPR	IAIP	IG	S&T
CPIC	1,021,087	43,316	611,885	46,723	635,140	95,632	174,699	16,036	217,296
Ready Campaign (Ready.gov)	114,770	4,869	68,776	5,252	71,390	10,524	19,569	1,802	24,424
(New) - CPO - Strategic Sourcing	27,078	12,825	36,342	0	37,767	28,504	1,425	0	4,276
(New) - CPO - Competitive Sourcing	59,637	1,399	21,454	287	76,366	3,700	1,168	730	465
CPO Shared Reporting	37,440	1,588	22,436	1,713	22,288	3,433	6,384	588	7,968
New - Information Sharing & Coordination Pgm	967,633	38,503	543,897	41,532	564,569	83,229	154,755	14,254	193,152
Sub-Total	**$2,167,645**	**$102,493**	**$1,304,790**	**$95,507**	**$1,408,520**	**$223,023**	**$357,600**	**$33,410**	**$447,581**

WCF Management Activity	CBP	FLETC	ICE	OSLGCP/ODP	TSA	EPR	IAIP	IG	S&T
Working Capital Fund Operations	79,261	2,412	83,227	13,243	46,391	40,498	80,224	1,901	35,509
Sub-Total	**$79,261**	**$2,412**	**$83,227**	**$13,243**	**$46,391**	**$40,498**	**$80,224**	**$1,901**	**$35,509**
Totals	**$35,746,048**	**$1,087,706**	**$37,534,594**	**$5,972,365**	**$20,922,092**	**$18,566,596**	**$36,180,271**	**$857,427**	**$16,014,058**

DEPARTMENT OF HOMELAND SECURITY
WORKING CAPITAL FUND
FY 2005 Summary of Actual Assessments by Component - CFO Final 9/30/05

Fee for Service Activity	USCG	USCIS	USSS	BTS Office of the Under Secretary	US VISIT
GSA Rent	0	0	0	475,704	0
FEDLINK/(Library of Congress)	482,270	726,102	0	7,652	0
Financial Management (Finance & Acctg Shared Services)	0	0	0	63,381	2,240,791
Financial Statement Audit	3,418,294	875,140	190,347	1,159	47,167
Financial Management (Booz-Allen)	0	0	0	0	0
Bankcard Program	0	24,726	0	0	0
TIER	34,093	34,093	34,093	34,093	0
NFC Payroll Services & Reporting	0	1,042,136	756,108	9,190	8,561
NFC Payroll Services & Reporting (3rd Party Debt - OIG)	0	0	0	0	0
HQ Human Capital (YRCI)	0	0	0	220,041	334,988
HCBS/Payroll Service Ops	0	104,046	75,489	1,772	0
Flexible Spending Plan	27,929	41,728	27,362	281	428
DHS Executive Leadership Development Program	4,239	5,780	15,029	2,697	1,156
e-Treasury Executive Institute	0	0	0	7,528	3,226
Government Advisory Committee Survey Training	0	0	0	0	0
HQ Executive Training	0	0	0	6,561	2,812
HQ SES Forum	0	0	0	1,857	796
Employee Express	0	11,691	1,786	0	0
Employee Assistance Program	0	0	0	1,126	1,715
CIO/DHS Infrastructure Transf Pgm	3,000,000	700,000	2,500,000	0	0
NCR Infrastructure Operations	0	0	0	158,250	0
Homeland Secure Data Networks	0	0	505,760	0	0
Homeland Secure Data Networks Phase 2	0	0	492,742	0	0
Software Enterprise Licenses - Microsoft	1,816,020	2,786,697	2,783,236	0	0
Software Enterprise Licenses - Creditialing & Accreditation	589,224	194,931	69,407	0	0
Software Enterprise Licenses - Autonomy	0	31,966	0	0	0
SMARTCARD	0	227,822	149,390	1,536	2,339
Toner Contract	0	6,807	0	0	0
Procurement Operations	0	305,556	0	0	1,833,333
Board of Contract Appeals	36,718	935	6,842	56	1,987
EMALL Support	54,727	3,420	2,565	0	0
Sub-Total	**$9,463,514**	**$7,123,576**	**$7,610,156**	**$992,884**	**$4,479,299**

Government-Wide Mandated Service Activity	USCG	USCIS	USSS	BTS Office of the Under Secretary	US VISIT
Interagency Council Funding	187,970	4,787	35,026	288	10,172
Recruitment One-Stop	9,190	13,731	9,004	93	141
e-Training	597,602	128,142	84,027	869	1,315
Enterprise HR Integration (EHRI)	179,452	268,112	175,810	1,808	2,752
Business Gateway	197,231	5,023	35,752	303	10,673
e-Rulemaking	240,710	6,130	44,854	368	13,026
e-Travel	188,565	40,434	26,514	273	415
Case Management Line of Business	13,320	0	47,571	0	0
e-Grants.gov	5,057	0	319	0	0
e-Authentication	102,782	22,039	14,452	149	226
Human Resources Line of Business	8,795	13,140	8,616	89	135
e-govBenefits	7,788	11,635	7,629	80	119
GeoSpatial One-Stop	0	0	0	0	0
Financial Management Line of Business	22,575	575	4,207	35	1,222
e-Records Management	0	0	0	0	0
e-gov.Integrated Acquisition Environment	384,020	9,779	71,538	588	20,781
e-gov Disaster Management (DisasterHelp.gov)	1,640,207	507,683	273,368	0	0
e-gov SAFECOM	125,520	0	269,950	0	0
Sub-Total	**$3,910,784**	**$1,031,210**	**$1,109,657**	**$4,943**	**$60,977**

DHS Secretary Crosscutting Activity	USCG	USCIS	USSS	BTS Office of the Under Secretary	US VISIT
CPIC	1,223,949	31,169	228,070	1,876	66,234
Ready Campaign (Ready.gov)	137,572	3,503	25,635	213	7,445
(New) - CPO - Strategic Sourcing	136,817	8,551	6,413	0	0
(New) - CPO - Competitive Sourcing	9,674	14,454	9,478	97	148
CPO Shared Reporting	44,878	1,143	8,363	69	2,429
(New) - Information Sharing & Collaboration Pgm	1,087,955	27,706	202,729	1,665	58,875
Sub-Total	**$2,640,845**	**$86,526**	**$480,688**	**$3,920**	**$135,131**

WCF Management Activity	USCG	USCIS	USSS	BTS Office of the Under Secretary	US VISIT
Working Capital Fund Operations	75,590	18,314	20,446	2,226	10,390
Sub-Total	**$35,590**	**$18,314**	**$20,446**	**$2,226**	**$10,390**
Totals	**$16,050,731**	**$8,259,626**	**$9,220,947**	**$1,003,973**	**$4,685,797**

DEPARTMENT OF HOMELAND SECURITY
WORKING CAPITAL FUND
FY 2005 Summary of Actual Assessments by Component - *CFO Final 9/30/0*

Fee for Service Activity	Management	Departmental Ops	Total
GSA Rent	11,837,517	1,175,470	16,634,238
FEDLINK/(Library of Congress)	902,398	203,304	10,142,426
Financial Management (Finance & Acctg Shared Services)	3,641,649	827,222	12,715,238
Financial Statement Audit	45,307	13,963	10,800,452
Financial Management (Booz-Allen)	714,274	735,726	1,450,000
Bankcard Program	2,474	0	494,528
TIER	34,095	0	477,304
NFC Payroll Services & Reporting	26,941	30,592	10,717,076
NFC Payroll Services & Reporting (3rd Party Debt - OIG)	0	0	214
HQ Human Capital (YRCI)	1,093,635	1,126,479	7,110,278
HCBS/Payroll Service Ops	2,689	3,054	1,069,985
Flexible Spending Plan	1,399	1,440	577,405
DHS Executive Leadership Development Program	9,250	24,277	200,000
e-Treasury Executive Institute	25,541	65,328	128,509
Government Advisory Committee Survey Training	0	0	0
HQ Executive Training	22,497	59,052	123,729
HQ SES Forum	6,370	16,716	35,026
Employee Express	2,147	2,200	52,329
Employee Assistance Program	5,598	5,765	44,832
CIO/DHS Infrastructure Transf Pgm	4,650,000	0	49,790,000
NCR Infrastructure Operations	25,071,331	2,441,571	27,977,036
Homeland Secure Data Networks	1,252,800	0	23,200,000
Homeland Secure Data Networks Phase 2	4,620,987	0	23,000,000
Software Enterprise Licenses - Microsoft	486,243	0	21,918,661
Software Enterprise Licenses - Crediitialing & Accredidation	487,327	0	5,145,000
Software Enterprise Licenses - Autonomy	145,973	0	508,578
SMARTCARD	7,633	7,865	3,000,000
Toner Contract	226,666	233,470	1,013,526
Procurement Operations	5,228,893	1,187,774	16,500,000
Board of Contract Appeals	2,188	467	135,000
EMALL Support	0	0	120,000
Sub-Total	**$60,563,822**	**$8,161,765**	**$245,081,370**

Government-Wide Mandated Service Activity	Management	Departmental Ops	FY 2005 Total
Interagency Council Funding	11,196	2,546	691,095
Recruitment One Stop	460	473	190,000
e-Training	4,291	4,422	2,285,000
Enterprise HR Integration (EHRI)	8,985	9,256	3,710,000
Business Gateway	11,750	2,670	725,146
e-Rulemaking	14,339	3,259	885,000
e-Travel	1,352	1,396	721,000
Case Management Line of Business	0	0	500,000
e-Grants.gov	0	0	452,680
e-Authentication	736	764	393,000
Human Resources Line of Business	438	455	181,819
e-govBenefits	389	402	161,000
GeoSpatial One-Stop	0	0	0
Financial Management Line of Business	1,342	307	83,000
e-Records Management	0	0	0
e-gov.Integrated Acquisition Environment	22,431	5,197	1,411,448
e-gov Disaster Management (DisasterHelp.gov)	39,954	0	11,987,092
e-gov SAFECOM	0	0	1,550,000
Sub-Total	**$116,763**	**$31,147**	**$25,927,260**

DHS Secretary Crosscutting Activity	Management	Departmental Ops	Total
CPIC	72,920	16,567	4,500,000
Ready Campaign (Ready.gov)	8,193	1,963	505,800
(New) - CPO - Strategic Sourcing	0	0	300,000
(New) - CPO - Competitive Sourcing	485	498	200,000
CPO Shared Reporting	2,673	607	165,000
(New) - Information Sharing & Collaboration Pgm	64,820	14,726	4,000,000
Sub-Total	**$149,091**	**$34,361**	**$9,670,800**

WCF Management Activity	Management	Departmental Ops	Total
Working Capital Fund Operations	130,749	18,283	$148,664
Sub-Total	**$130,749**	**$18,283**	**$148,664**
Totals	**$60,960,425**	**$8,245,456**	**$281,298,114**

Department of Homeland Security
Working Capital Fund
FY 2006 Summary of Estimated Assessments by Component

Fee for Service Activity	CBP	FLETC	ICE	TSA	FEMA	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
GSA RENT	0	0	0	0	0	3,020,214	3,559,333	0	813,018	1,731,000	0
Consolidated Subscriptions (Library of Congress)	3,045,402	20,431	4,145,234	684,813	120,233	106,065	96,873	0	384,445	0	528,123
Financial Management (Finance & Acctg Shared Services)	0	0	0	0	0	1,957,225	1,034,425	0	2,980,127	0	0
Financial Statement Audits	3,457,803	26,917	1,887,709	664,620	992,324	781,723	4,709	161,256	127,268	33,106	4,262,999
Financial Management (Mass Allocn)	0	0	0	0	0	0	0	0	0	0	0
Bankcard Program	290,498	13,204	52,472	117,073	23,435	1,720	726	0	0	0	0
TIER	44,808	44,808	44,808	44,807	44,807	44,807	44,807	44,807	35,321	9,486	44,807
NFC Payroll Services & Reporting	3,611,021	126,846	1,845,642	14,446,823	1,028,137	38,029	30,263	55,572	18,279	736	1,673,706
HQ Human Capital Services	0	0	0	0	0	3,183,336	1,392,921	0	1,289,230	48,389	0
HQCBS Payroll Service Ops	1,230,224	35,512	531,258	2,534,479	295,943	13,612	10,321	13,643	6,251	252	295,448
Flexible Spending Main	240,970	1,460	151,753	248,285	40,849	49,365	3,152	12,994	4,502	0	76,741
DHS EARLY LEAD ISLS DEV Svcs Cont	81,338	6,943	42,650	153,740	50,585	24,797	14,878	9,919	31,740	8,927	17,992
HQ Executive Lead. Dev (TEI SES Forum, Gen, Welfare Trng)	0	0	0	0	0	155,871	68,204	0	63,127	2,369	0
Employee Assistance Program	0	0	0	0	0	12,415	5,870	966	5,423	204	0
CBP/S&T Infrastructure Transition Fund	4,000,000	30,000	10,000,000	10,000,000	4,000,000	5,250,000	2,445,168	0	3,200,000	0	3,000,000
NCR Infrastructure Operations	0	0	0	0	0	24,985,161	24,654,451	0	19,938,227	3,382,227	0
Software Enterprise Licenses - Microsoft	3,487,653	345,962	4,176,575	2,913,003	1,307,318	271,420	206,437	112,057	314,441	91	1,036,722
Procurement Operations	0	0	0	0	0	10,716,940	2,363,815	0	6,117,300	1,645,733	0
Board of Contract Appeals	15,840	7,890	16,135	24,480	8,025	3,581	192	0	1,650	0	65,985
Government Advisory Committee/ Survey Training	2,092	1,045	0	1,045	2,092	2,091	1,045	0	1,045	0	11,500
Sub Total	**19,647,442**	**672,024**	**22,893,614**	**31,534,368**	**7,913,853**	**50,619,201**	**35,975,890**	**358,117**	**34,705,414**	**6,861,929**	**11,009,932**

Tri Bureau Service Activity	CBP	FLETC	ICE	TSA	FEMA	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Tri-Bureau Human Resources Shared Services	0	0	14,990,292	0	0	0	0	0	0	0	0
Data Center Services from DOI	0	0	19,819,000	0	0	0	0	0	0	0	0
Sub Total	**0**	**0**	**34,809,292**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Government wide Mandated Service Activity	CBP	FLETC	ICE	TSA	FEMA	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Interagency Council Funding	158,481	6,300	76,504	138,773	10,248	16,519	5,701	1,872	26,420	7,096	153,422
Recruitment One Stop	16,275	2,652	48,227	148,891	6,739	2,624	1,148	539	1,063	40	16,179
e-Training	68,919	16,330	258,952	858,229	38,583	11,025	6,575	5,810	6,085	228	103,969
Enterprise HR Integration (EHRI)	744,805	68,695	782,251	821,759	368,334	49,667	21,755	38,681	20,191	755	108,218
Business Gateway	180,037	7,523	91,361	161,221	12,237	23,866	6,867	2,212	31,547	3,473	163,208
e-Rulemaking	189,188	7,521	91,327	162,080	12,234	23,659	6,805	2,211	31,539	5,471	183,160
e-Travel	240,529	5,722	91,205	909,275	13,569	5,292	2,316	3,193	2,143	80	35,619
Case Management Line of Business	192,188	0	246,921	0	0	0	0	0	0	0	13,320
e-Grants.gov	0	0	775	15,814	20,313	408,047	2,587	0	1,645	0	5,057
e-Authentication	134,492	3,216	50,697	169,017	7,598	2,959	1,295	1,735	1,198	45	20,475
Human Resources Line of Business	54,340	1,299	20,135	68,289	3,070	1,196	523	701	484	18	8,273
e-gov Benefits	48,202	1,153	18,278	60,576	2,723	1,061	464	622	430	16	7,338
Financial Management Line of Business	19,110	760	9,225	16,372	1,236	2,290	687	223	3,186	856	16,501
e-gov Integrated Acquisition Environment	76,850	34,600	75,306	100,239	166,386	23,406	20,350	0	26,968	10,177	416,220
e-gov Disaster Management (DisasterHelp.gov)	1,015,987	0	1,015,987	1,055,064	2,618,121	3,125,115	625,093	0	197,392	0	1,795,816
Sub Total	**4,868,639**	**156,001**	**2,874,914**	**4,147,302**	**3,081,411**	**3,702,926**	**702,239**	**61,689**	**348,281**	**35,722**	**3,073,465**

DHS Crosscutting Activity	CBP	FLETC	ICE	TSA	FEMA	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Capital Planning and Investment Control (CPIC)	774,029	35,152	371,028	816,608	471,848	476,242	106,160	338	273,860	0	563,446
Ready Campaign (Ready.gov)	136,445	3,424	65,866	116,894	8,823	17,063	3,405	1,565	22,746	6,109	192,099
Strategic Sourcing	556,888	13,964	211,921	702,358	31,575	12,296	2,280	7,210	4,680	187	80,046
Competitive Sourcing	60,611	1,449	22,983	76,170	3,424	1,334	584	782	508	20	8,238
OPM Shared Reporting	182,311	4,260	69,109	229,111	10,300	4,013	1,755	2,352	1,624	63	29,754
Sub Total	**1,712,275**	**39,749**	**540,927**	**1,941,141**	**525,970**	**510,946**	**130,787**	**12,277**	**303,670**	**6,377**	**817,612**

WCF Management Activity	CBP	FLETC	ICE	TSA	FEMA	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Working Capital Fund Operations	94,542	1,639	113,534	74,016	19,603	119,460	77,624	2,125	83,112	11,276	32,260
Sub Total	**94,542**	**1,639**	**113,534**	**74,016**	**19,603**	**119,460**	**77,624**	**2,125**	**83,112**	**11,276**	**32,260**

Other Requests	CBP	FLETC	ICE	TSA	FEMA	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Sedan Services	0	0	0	0	0	160,767	107,619	24,400	36,600	0	0
Shuttle Services	0	0	0	0	4,495	224,519	128,636	112,376	81,660	0	402,000
Trans - Sweden	5,282	282	0	2,640	0	146,266	154,764	5,282	221,831	0	9,240
Mail Ops	0	0	0	0	0	35,261	649,954	361,944	305,294	81,346	0
Parcels	0	0	0	0	0	19,018	4,490	0	163,750	0	0
Internal Control Audit	1,186,686	17,811	898,127	310,408	471,281	372,046	19,517	48,192	58,867	15,750	2,028,892
Sub Total	**1,193,968**	**18,093**	**898,127**	**329,048**	**476,775**	**1,384,907**	**1,064,960**	**552,194**	**869,712**	**97,102**	**2,941,815**
FY 2006 WCF Grand Total	**$27,816,866**	**$907,506**	**$62,130,318**	**$38,015,875**	**$12,017,612**	**$56,337,440**	**$37,941,500**	**$986,402**	**$36,310,189**	**$7,012,406**	**$17,875,084**

Department of Homeland Security
Working Capital Fund
FY 2006 Summary of Estimated Assessments by Component

Fee for Service Activity	USCIS	USSS	US VISIT	Screening Coordination & Ops	Management Total	Departmental Ops Total	WCF Total
GSA RENT	[illegible]	0	0	0	18,035,242	3,700,626	30,986,000
Consolidated Subscriptions (Library of Congress)	795,230	0	0	0	153,955	248 097	10,329,000
Financial Management (Finance & Accg Shared Services)	14,83- 3b-	0	2,240,791	0	3,593,994	908,666	27,549,600
Financial Statement Audit	754 480	292,546	69,836	510	61,883	15 484	12,606,878
Financial Management (Best Alloc)	0	0	0	0	1,476,547	1,981,682	3,458 229
Bankcard Program	26,409	0	0	0	2,642	0	526 179
TIER	44,807	44,807	44,807	0	44,803	0	927,297
NFC Payroll Services & Reporting	1,066,657	793,092	10,550	52	34,962	22 450	26,305,990
HQ Human Capital Services	0	0	352,551	69,866	1,444,767	1 437,854	9,238,904
(HCBS) Payroll Service Ops	261,868	271,240	3,608	420	12,173	7,571	5,224,823
Flexible Spending Plan	83,030	57,144	1,169	0	9,583	5 997	1,000,000
DHS EXEC. LEAD (SES CDP, Snr Conf)	29,756	42,650	3,967	0	36,702	89,511	610,000
HQ Executive Lead Dev (TBL SES Scrum, Gen. Wkfrce Trng)	0	0	17,263	4,400	70,744	70,403	452,381
Employee Assistance Program	0	0	1,486	379	6,088	6,059	46 800
DHS/IAIS Infrastructure Transfer Fac	700,000	2,500,000	2,000,000	0	2,664,830	0	49,790,000
NCR Infrastructure Operations	0	0	0	0	25,561,973	5,772,825	103,674,864
Software Enterprise Licenses Microsoft	1,879 357	1,092,327	0	0	341,342	115,300	17,569,914
Procurement Operations	357,298	0	3,642,043	0	4,705,012	168,287	29,715,948
Board of Contract Appeals	765	4,350	0	0	0	0	150 000
Government Advisory Committee Survey Training	0	0	0	0	0	1,045	23,000
Sub Total	**20 963 895**	**5,068,156**	**8,388,071**	**96,802**	**58 257 242**	**14 521,857**	**329,787 807**

Tri Bureau Service Activity	USCIS	USSS	US VISIT	Screening Coordination & Ops	Management Total	Departmental Ops Total	WCF Total
[illegible] Human Resources Shared Services	9,641,696	0	0	0	0	0	24,636,098
Data Center Services from DOI	13 233 [illegible]	0	2 425,000	0	830,000	0	36 303,000
Sub Total	**22,874 896**	**0**	**2 425,000**	**0**	**830,000**	**0**	**60 939 098**

Government wide Mandated Service Activity	USCIS	USSS	US VISIT	Screening Coordination & Ops	Management Total	Departmental Ops Total	WCF Total
Interagency Council Funding	42 148	27 043	7 586	89	10,833	1,770	491 093
Recruitment One Stop	29 083	18,703	2 567	74	1,189	1,186	399,085
e-Training	for 531	101 085	1 664	424	6,817	6,788	2,285,000
Enterprise HR Integration (EHRI)	512 509	467 467	8 3021	412	21,222	22,279	4,943,588
Business Gateway	50 328	32 [illegible]	9 058	107	12,934	2 115	825,216
e-Rulemaking	50 315	32,283	9 056	107	12,930	2,114	825,000
e-Travel	58,648	37,716	586	149	2,403	2 390	804,795
Case Management Line of Business	0	47,571	0	0	0	0	500,000
e-Grants.gov	0	319	0	0	0	120	452,680
e-Authentication	32 763	21,089	328	84	1,344	1,335	450,000
Human Resources Line of Business	12,050	8,521	132	34	543	540	181,818
e-gov/lenains	11,753	7,558	117	30	482	479	161,282
Financial Management Line of Business	5,082	3,261	915	11	1,305	213	83,333
e-gov.Integrated Acquisition Environment	33,583	21 271	9,159	0	0	0	1,017,684
e-gov: Disaster Management (DisasterHelp.gov)	507,994	273,535	0	0	39,076	0	12,270,000
Sub Total	**1,534,003**	**1,105 813**	**44,213**	**1,521**	**111,078**	**41 329**	**25,890,546**

DHS Crosscutting Activity	USCIS	USSS	US VISIT	Screening Coordination & Ops	Management Total	Departmental Ops Total	WCF Total
Capital Planning and Investment Control (CPIC)	40 086	39 884	33 8001	0	333,606	0	4,563,000
Ready Campaign (ready.gov)	36 288	22 263	9 631	77	9,325	1,826	595,000
Strategic Sourcing	136 27[illegible]	87 536	1 362	34	5,582	5,554	1,870,000
Competitive Sourcing	14 779	9 504	148	38	604	602	202,800
CFO Shared Reporting	44 453	28 587	444	113	1,823	1 811	610,000
Sub Total	**696 882**	**188,894**	**42,285**	**575**	**350,940**	**9,493**	**7,840 800**

WCF Management Activity	USCIS	USSS	US VISIT	Screening Coordination & Ops	Management Total	Departmental Ops Total	WCF Total
Working Capital Fund Operations	84,140	11,830	21,811	213	148,869	22,611	918,665
Sub Total	**84,140**	**11,830**	**21,811**	**213**	**148,869**	**22,611**	**918,665**

Other Requests	USCIS	USSS	US VISIT	Screening Coordination & Ops	Management Total	Departmental Ops Total	WCF Total
Sedan Services	36,600	0	24 400	0	788,244	41,370	1,220,000
Shuttle Services	3,746	1,873	36 [illegible]	0	304,487	0	1,810,000
Transit Subsidy	2,640	0	18 480	0	472,077	257,847	1,500,000
Mail Ops	0	0	80 473	0	2,429,789	395,999	4,570,000
Parking	0	0	0	0	60 291	25,451	273,000
Internal Control Audit	359 084	139 232	33,237	243	29 432	7,370	6,000,000
Sub Total	**402 070**	**141,105**	**200 804**	**243**	**4 084 340**	**727,737**	**15,373,000**
FY 2006 WCF Grand Total	**$46 555 686**	**$6 515 798**	**$11 122 184**	**$99,354**	**$63 782,469**	**$15 323 027**	**$440 749,916**

Department of Homeland Security
Working Capital Fund Budget
FY 2007 Summary of Estimated Assessments by Component

Fee for Service Activity	CBP	FLETC	ICE	TSA	EPR	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
OSA RENT	0	0	0	0	0	3,142,806	3,704,987	0	846,288	1,000,000	0
Consolidated Subscriptions (Library of Congress)	3,109,382	25,662	4,232,320	699,200	122,861	108,293	98,908	0	382,522	0	539,217
Financial Management (Finance & Accig Shared Services)	0	0	0	0	0	1,990,498	1,052,010	0	3,030,799	0	0
Financial Statement Audit	2,636,379	28,445	1,904,218	792,538	1,048,659	826,097	43,337	107,007	130,265	34,945	4,504,988
Financial Management (Booz Allen)	0	0	0	0	0	0	0	0	0	0	0
Bankcard Program	257,082	13,049	51,855	115,696	33,159	1,700	717	0	0	0	0
TIER	48,411	48,411	48,411	48,410	48,410	48,410	48,410	48,410	38,161	10,249	48,410
NFC Payroll Services & Reporting	6,342,741	160,556	2,336,138	18,428,500	1,301,374	48,638	40,638	70,340	23,136	932	1,902,289
HQ Human Capital Services	0	0	0	0	0	2,490,099	1,089,548	0	1,008,440	37,850	0
(HCBS) Payroll Service Ops	1,349,813	42,619	497,159	2,189,606	345,439	12,126	11,125	12,816	6,222	167	290,249
Flexible Spending Plan	240,970	11,466	181,753	749,285	40,849	49,365	3,152	13,994	4,502	0	78,741
DHS EXEC. LEAD. (SES CDP Svc)	0	0	0	0	0	0	0	0	0	0	0
Conf	82,716	7,061	43,373	356,323	51,445	25,218	15,131	10,087	32,279	9,079	12,106
HQ Executive Lead. Dev (TEL, SES, Forum, Gen. Pblme Trng)	0	0	0	0	0	148,487	64,973	0	60,186	2,257	0
Employee Assistance Program	0	0	0	0	0	13,416	5,870	7,866	5,433	204	0
CIO/DHS Infrastructure Transf Prog	4,000,000	30,000	10,000,000	10,000,000	4,000,000	5,251,002	2,445,168	0	3,200,000	0	3,000,000
NCR Infrastructure Operations	0	0	0	0	0	25,887,763	23,806,115	0	18,882,662	4,257,856	0
Software Enterprise Licenses - Microsoft	2,896,206	379,890	4,539,025	2,247,156	1,354,745	359,218	254,827	116,122	339,482	0	10,118,111
SMARTCARD	1,790,223	42,880	679,961	2,353,556	161,211	39,453	17,264	23,132	15,978	600	273,004
Procurement Operations	0	0	0	0	0	15,394,915	3,394,987	0	8,782,691	2,362,936	0
Board of Contract Appeals	15,840	7,800	16,125	26,480	8,025	1,398	192	0	1,650	0	65,985
Government Advisory Committee Survey Training	0	0	0	0	0	0	0	0	0	0	0
Sub Total	**22,905,768**	**793,127**	**24,590,340**	**35,114,800**	**8,646,277**	**56,834,709**	**38,097,559**	**408,574**	**36,800,946**	**9,717,115**	**20,834,099**

Tri Bureau Service Activity	CBP	FLETC	ICE	TSA	EPR	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Tri-Bureau Human Resources Shared Services	0	0	13,249,103	0	0	0	0	0	0	0	0
Data Center Services from DOI	0	0	23,290,000	0	0	0	0	0	0	0	0
Sub Total	**0**	**0**	**36,539,103**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Government Wide Mandated Service Activity	CBP	FLETC	ICE	TSA	EPR	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Interagency Council Funding	161,175	6,407	377,874	138,881	10,422	20,156	5,798	1,884	26,899	2,216	156,040
Recruitment One Stop	123,238	2,995	27,488	157,386	7,076	2,755	1,206	1,616	1,116	42	19,067
e-Training	682,919	16,330	258,952	858,229	38,563	15,095	6,675	8,810	6,085	236	103,969
Enterprise HR Integration (EHRI)	689,258	130,895	262,727	1,368,750	201,600	120,000	47,854	73,705	6,526	206	166,140
Business Gateway	194,921	7,749	94,094	166,991	12,604	24,376	7,011	2,278	32,494	8,727	188,711
e-Rulemaking	194,921	7,749	94,094	166,991	1,684	24,376	7,011	2,278	32,494	8,727	188,711
e-Travel	247,764	5,924	93,948	81,366	5,498	5,451	2,365	3,196	2,208	83	37,720
Cost Management Line of Business	197,954	0	254,328	0	0	0	0	0	0	0	13,720
e-Grants.gov	0	0	822	16,699	21,449	428,757	2,732	0	1,737	0	5,340
e-Authentication	138,377	3,309	52,470	173,899	7,818	3,944	1,332	1,785	1,233	46	21,067
Human Resources Line of Business	54,340	1,299	20,605	68,289	3,070	1,196	523	701	484	18	8,279
e-gov Benefits	61,257	1,153	18,278	60,576	2,723	1,061	464	622	430	16	7,338
Financial Management Line of Business	19,452	775	9,409	16,699	1,260	2,438	761	228	3,249	873	18,611
e-gov Integrated Acquisition Environment	82,269	35,632	77,552	103,228	171,348	24,104	20,940	0	27,772	10,480	428,632
e-gov Disaster Management (DisasterHelp.gov)	1,015,987	0	1,015,987	1,055,004	2,618,121	2,126,115	625,223	0	195,382	0	1,797,816
Sub Total	**3,852,816**	**220,218**	**2,376,208**	**4,662,250**	**3,121,076**	**3,798,854**	**729,775**	**97,103**	**338,079**	**36,656**	**3,161,115**

DHS Crosscutting Activity	CBP	FLETC	ICE	TSA	EPR	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Capital Planning and Investment Control (CPIC)	787,378	35,750	173,935	830,490	479,869	484,338	169,999	344	278,434	0	873,003
Ready Campaign (Ready.gov)	139,196	5,533	31,794	119,251	9,001	17,408	5,007	1,627	23,005	5,232	134,782
Strategic Sourcing	784,533	18,760	297,463	985,931	44,351	17,261	7,583	10,126	6,951	262	115,439
Competitive Sourcing	61,641	1,474	23,370	77,465	3,483	1,356	595	795	546	21	9,384
PPO Shared Reporting	185,410	4,434	70,305	233,006	10,475	4,076	1,785	2,392	1,642	62	28,227
Sub Total	**1,957,960**	**65,951**	**632,290**	**2,246,143**	**547,151**	**524,442**	**124,937**	**15,278**	**310,831**	**5,577**	**864,837**

WCF Management Activity	CBP	FLETC	ICE	TSA	EPR	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Working Capital Fund Operations	97,000	1,681	116,486	75,940	20,112	122,566	79,643	2,180	85,273	13,569	33,099
Sub Total	**97,000**	**1,681**	**116,486**	**75,940**	**20,112**	**122,566**	**79,643**	**2,180**	**85,273**	**13,569**	**33,099**

Other Requests	CBP	FLETC	ICE	TSA	EPR	Preparedness	Operations Coord & Intel & Analysis	IG	S&T	DNDO	USCG
Sedan Services	0	0	0	0	0	163,500	109,450	24,815	37,335	0	0
Shuttle Services	0	0	0	0	4,571	264,119	104,169	134,286	8,048	0	930,387
Transit Subsidy	5,372	5,372	0	2,683	0	252,153	157,375	5,372	225,903	0	3,157
Misc Other	0	0	0	0	0	188,999	477,490	265,874	225,564	99,753	0
Parking	0	0	0	0	0	15,342	1,568	0	196,5741	0	0
Internal Control And Training	276,515	13,752	964,109	336,937	506,977	346,370	20,951	51,733	62,977	36,914	2,172,948
Sub Total	**1,281,387**	**19,124**	**964,109**	**342,338**	**511,548**	**1,387,492**	**873,950**	**462,080**	**801,048**	**76,665**	**3,106,390**
FY 2007 WCF Grand Total	**$30,094,931**	**$1,100,101**	**$65,218,536**	**$42,441,471**	**$12,846,164**	**$62,668,063**	**$37,905,864**	**$985,215**	**$38,336,177**	**$9,848,586**	**$27,999,540**

Department of Homeland Security
Working Capital Fund Budget
FY 2007 Summary of Estimated Assessments by Component

Fee for Service Activity	USCIS	USSS	US VISIT	Screening Coordination & Ops	Management Total	Departmental Ops Total	WCF Total
GSA RENT	131,746	0	0	0	17,385,611	3,852,062	32,064,300
Non-Wrd Subscriptions (Library of Congress)	811,937	0	0	0	187,191	253,309	10,546,000
Financial Management (Finance & Accg Shared Services)	15,08_,468	0	2,278,884	0	3,655,091	924,115	28,017,943
Financial Statement Audit	767,281	309,152	73,800	539	65,396	16,364	13,322,507
Financial Management (Budget Alert	0	0	0	0	1,531,943	2,056,029	3,587,972
Healthcare Program	69,698	0	0	0	2,611	0	521,967
TIER	48,410	48,410	48,410	0	48,413	0	677,746
NFC Payroll Services & Reporting	357,311	1,003,864	13,354	1,553	44,283	28,416	31,097,554
HQ Human Capital Services	0	0	275,766	76,293	1,180,104	1,124,694	7,226,704
CSC Payroll Service Ops	287,324	266,467	3,645	279	11,738	7,050	5,334,544
Flexible Spending Plan	57,180	57,144	1,169	0	9,583	5,997	1,000,000
DHS EXEC LEAD ISES CDP, Sec Conf	30,262	43,373	4,035	0	37,326	60,523	620,370
HQ Executive Lead Dev (TEI, SES Forum, Gen. Wkfrce Trng	0	0	16,445	4,192	67,392	67,069	430,951
Employee Assistance Program	0	0	1,486	379	6,088	6,059	46,800
CIO/DHS Infrastructure Transf Pgm	700,000	2,500,000	2,000,000	0	2,664,830	0	49,790,000
NCR Infrastructure Operational	0	0	0	0	25,784,528	5,823,012	105,437,336
Software Enterprise Licenses							
Microsoft	1,947,515	1,100,867	0	0	353,725	119,729	26,226,638
SMARTCARD	437,243	281,184	4,369	1,114	17,907	17,819	6,000,000
Procurement Operations	513,163	0	5,230,819	0	6,757,491	241,698	42,679,000
Board of Contract Appeals	4,065	4,350	0	0	0	0	150,000
Government Advisory Committee							
Survey Training	0	0	0	0	0	0	0
Sub Total	**22,254,305**	**5,614,813**	**9,952,062**	**78,349**	**59,731,221**	**14,603,945**	**364,778,532**
Tri Bureau Service Activity	**USCIS**	**USSS**	**US VISIT**	**Screening Coordination & Ops**	**Management Total**	**Departmental Ops Total**	**WCF Total**
Tri-Bureau Human Resources Shared Services	9,805,809	0	0	0	0	0	25,054,912
Data Center Services from DOJ	10,126,000	0	2,724,000	0	848,000	0	34,988,000
Sub Total	**19,931,809**	**0**	**2,724,000**	**0**	**848,000**	**0**	**60,042,912**
Government wide Mandated Service Activity	**USCIS**	**USSS**	**US VISIT**	**Screening Coordination & Ops**	**Management Total**	**Departmental Ops Total**	**WCF Total**
Interagency Council Funding	42,850	27,503	7,715	91	11,015	1,803	702,844
Recruitment One Stop	30,537	19,438	525	78	1,248	1,246	419,039
e-Training	191,517	107,985	1,664	424	6,817	6,788	2,285,000
Enterprise HR Integration (EHRI)	172,291	890,741	1,720	400	7,814	6,425	4,142,634
Business Gateway	51,839	33,261	9,331	110	13,324	2,179	850,000
e-Rulemaking	51,839	33,261	9,331	110	13,324	2,179	850,000
e-Travel	60,422	38,850	604	154	2,473	2,463	829,000
Case Management Line of Business	0	45,098	0	0	0	0	515,000
e-Grants.gov	0	737	0	0	0	127	478,000
e-Authentication	33,741	21,698	337	86	1,382	1,376	463,000
Human Resources Line of Business	12,350	7,937	132	34	543	540	181,818
e-gov benefits	11,754	7,558	117	30	482	479	161,282
Financial Management Line of Business	8,184	3,326	933	11	1,333	218	85,000
e-gov Integrated Acquisition Environment	34,584	22,008	9,432	0	0	0	1,048,000
e-gov Disaster Management (DisasterHelp.gov)	507,994	276,535	0	0	39,076	0	12,270,000
Sub-Total	**1,182,644**	**1,536,320**	**41,621**	**1,528**	**98,531**	**25,823**	**25,280,617**
DHS Crosscutting Activity	**USCIS**	**USSS**	**US VISIT**	**Screening Coordination & Ops**	**Management Total**	**Departmental Ops Total**	**WCF Total**
Capital Planning and Investment Control (CPIC)	422,694	45,592	4,375	0	339,277	0	4,640,571
Ready Campaign (Ready.gov)	37,019	21,752	6,661	78	9,815	1,857	607,000
Strategic Sourcing	138,294	152,915	942	487	7,834	7,796	2,625,000
Competitive Sourcing	12,030	9,690	150	38	617	613	206,248
CPIC Unified reporting	45,209	24,603	452	115	1,851	1,843	620,370
Sub Total	**761,546**	**226,072**	**43,552**	**718**	**359,094**	**11,809**	**8,699,189**
WCF Management Activity	**USCIS**	**USSS**	**US VISIT**	**Screening Coordination & Ops**	**Management Total**	**Departmental Ops Total**	**WCF Total**
Administrative Working Capital Fund Operations	86,328	12,138	22,378	219	152,736	23,202	942,550
Sub-Total	**86,328**	**12,138**	**22,378**	**219**	**152,736**	**23,202**	**942,550**
Other Requests	**USCIS**	**USSS**	**US VISIT**	**Screening Coordination & Ops**	**Management Total**	**Departmental Ops Total**	**WCF Total**
Sedan Services	37,222	0	29,814	0	801,644	42,073	1,240,740
Shuttle Services	5,810	1,904	35,877	0	296,306	9,315	1,840,770
Transit Subsidy	2,668	0	16,800	0	480,196	261,920	1,525,500
Mail Svc	0	0	63,724	0	1,785,055	290,890	3,257,197
Parking	0	0	0	0	51,316	25,883	277,641
Internal Control Audit	387,163	149,461	35,676	261	31,616	7,910	6,446,500
Sub Total	429,182	151,365	181,671	261	3,456,043	637,991	14,682,648
FY 2007 WCF Grand Total	**$44,646,317**	**$7,540,708**	**$12,965,304**	**$81,075**	**$64,645,625**	**$15,302,770**	**$474,426,448**

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GSA Rent – *Fee for Service Activity*

Description of Service: GSA charges rent to over 100 federal agencies, which is deposited into the federal buildings fund and used to operate the government's buildings and pay rent to the private sector for lease space. GSA provides workspace and related services for over 100 federal client agencies serving more than one million workers through the Public Buildings Service (PBS). Whenever possible, client agencies are located in existing government-owned space. If suitable space in the government inventory is not available, PBS acquires leased space in privately owned buildings.

GSA also provides related real estate services including the operation and maintenance of buildings and out-leasing programs. GSA's Computer Integrated Facility Management program uses cutting-edge technology to look at a building's life cycle. Real estate services provided to clients appear in federal agencies' monthly electronic rent bills. GSA has simplified these bills so agencies have a clearer understanding of the costs they are charged for their workspace and services.

Cost Allocation Methodology: The cost allocation methodology is the amount of occupied space for each Component multiplied by the rate per square foot, as determined by GSA.

Full Time Equivalent (FTE): This activity requires two FTE.

FEDLINK (Library of Congress) – *Fee for Service Activity*

Description of Service: FEDLINK is an "Ask a Librarian" initiative which is a cooperative federal library project implemented and funded by the DHS Management Directorate. The project expands library services to workforce desktops using interactive chat, email or phone. Librarians from 25 federal agencies (including DHS staff librarians) answer questions, search databases and send materials directly to DHS staff, detailees, and contractors.

Cost Allocation Methodology: The cost allocation methodology is the unit contract costs multiplied by the number of users each Component requested.

Full Time Equivalent (FTE): This activity requires three FTE.

Sedan Services - *Fee for Service Activity*

Description of Service: Executive Sedan service is provided for senior staff that may have the need to travel between various locations in the course of their official duties. This sedan service allows these senior officials to maximize the effectiveness and efficiency of their time and provides a setting that allows them to conduct official business while in transit that would not be possible on Metro or in a cab.

Cost Allocation Methodology: The cost allocation methodology is the total cost of the Executive Sedan Service divided by the number of authorized users and allocated based on the number of authorized users in the Component.

Full Time Equivalent (FTE): This activity requires no FTE.

Shuttle Services - *Fee for Service Activity*

Description of Service: The shuttle service provides transportation for DHS personnel between various DHS Offices in the District and Arlington County, VA.. This service is of significant importance in allowing staff a safe and reliable method of access to the US Coast Guard Headquarters at Buzzards Point as well as to the Nebraska Avenue Complex, which has minimal Metro Bus Service.

Cost Allocation Methodology: The cost allocation methodology is the actual costs during the fiscal year of performance on an as needed basis.

Full Time Equivalent (FTE): This activity requires one FTE.

Transit Subsidy Program - *Fee for Service Activity*

Description of Service: The Commuter Transit Subsidy Program is required by law and executive order. This program provides a subsidy to Federal employees who commute to and from work on a regular basis using rapid transit, public or commuter buses, commuter rail, incorporated van pools, or any combination of the above. This helps reduce petroleum consumption, traffic congestion and air pollution by taking vehicles off the road that would otherwise be used in daily commuting.

Cost Allocation Methodology: The cost allocation methodology is allocated based on the actual costs of providing the benefit. Estimates are based on the prior fiscal year actual cost and are adjusted during the fiscal year of performance.

Full Time Equivalent (FTE): This activity requires no FTE.

DHS Mail Operations - *Fee for Service Activity*

Description of Service: The mail operations system currently provides the DHS Headquarters Staff, Management, Under Secretary for Preparedness, Operations Coordination & Intel and Analysis, and S&T a high-end industry standard mail operation capability for pick-up and delivery of classified and unclassified documents and packages from DHS Headquarters and other DHS facilities, Federal government facilities and non-government organizations/facilities in the Washington, DC Metropolitan area, including Northern Virginia and the Maryland suburbs. Planning is underway to consolidate all Component mail operations with DHS Headquarters Staff, Management, Under Secretary for Preparedness, Operations Coordination & Intel and Analysis, and S&T within the Washington, DC Metro area in FY 2007.

The mail operations system includes all the Components (facility, equipment, hardware, software, employees) primarily dedicated to the collection, distribution, and delivery of hard copy mail items, including methods for capturing data on mail users, their volume, and costs. The DHS Mail Operations System must have the capability to counter chemical, biological, radiological and explosive threats, and do so with nearly-100% effectiveness, in order to maintain uninterrupted mail service during, or after, a terrorist attack or mail exploitation event.

Cost Allocation Methodology: The cost allocation methodology will be based on estimates and will be adjusted to actual costs based on the business intelligence tool application that will be in use by FY 2006.

Full Time Equivalent (FTE): This activity requires no FTE.

Parking Spaces for DHS HQ Staff - *Fee for Service Activity*

Description of Service: The Administrative Services Office administers parking for Headquarters employees at the various headquarters locations housing handicapped employees, headquarters executives, and employees consistently required to work hours outside of the core business hours. There are currently two commercial parking garages providing 50 parking spaces, two government-run parking garages providing 125 parking spaces and one parking lot of 1,112 spaces that the Administrative Services Office oversees from a policy and operational perspective.

The Administrative Services Office currently needs one contractor and one FTE to oversee the contracts and administer the day to day activities of providing parking. The duties include policy development, development of procurement related documents – requirements, funding documents, contract administration, invoice certification, and assignment of spaces. Where necessary, the staff will be required to prepare the necessary documentation to the National Finance Center to provide W-2 for employees receiving parking valued in excess of $195.00 per month. This is considered a taxable benefit for employees.

Cost Allocation Methodology: The cost methodology will be based on actual costs of parking spaces specifically identified to the benefiting Component.

Full Time Equivalent (FTE): This activity requires one FTE.

Financial Management (Finance & Accounting Shared Services) – *Fee for Service Activity*

Description of Service: The Office of the DHS Chief Financial Officer (CFO) has authority for financial systems in the Department of Homeland Security and sponsors, sets policy, and manages the development, implementation, operation and maintenance of the departmental financial management systems and related business processes. The CFO has determined that it is in the best interest of the Department to obtain selected financial management services from the Office of Financial Management, U.S. Immigration and Customs Enforcement, hereafter referred to as ICE OFM, on a reimbursable basis. ICE OFM will provide financial management services in support of the following Components:

- Departmental Operations, including the immediate offices of the Secretary, the Directorate for Management, etc.
- Directorate for Science and Technology
- Directorate for Preparedness
- Directorate for Operations Coordination and Intelligence and Analysis
- U.S. Citizenship and Immigration Services

ICE OFM will formulate and disseminate financial management policies, procedures, standards and maintain overarching internal controls in conjunction with the DHS CFO. The DHS CFO and ICE OFM will assist DHS HQ Components in the implementation, if needed. The activities with respect to this function include:

- Oversee the development and maintenance of OFM policies, standards, and procedures for serviced groups to ensure compliance, uniformity, and consistency with Federal Financial and Accounting regulations, guidelines, rules, and standards.
- Create and submit updates to be posted on the OFM intranet website.
- Ensure necessary continuation of operations plans are prepared, viable, and in place in the event of required use.
- Monitoring, adjustment, and execution of shared services agreement including the development/refinement of cost methodologies.
- Channels customer service requirements to service owners through formalized meetings, memorandums, issues papers, and other communication mechanisms.
- Establish points-of-contacts to support customer liaison and service requirements, and participate in customer meetings.
- Periodic review of internal business practices to identify means to improve operations in terms of effectiveness and efficiency.
- Create new FFMS transaction codes and process changes to the general ledger.
- Manage travel card services by processing new travel card applications; establishing hierarchies, maintaining user profiles, handling disputes, increasing limits, replacing cards, and contacting delinquent card holders.

Cost Allocation Methodology: The cost allocation methodology for this activity is based on the historical cost of providing seven categories of financial support to each participating Component. The seven categories of financial support services include the following: (1) financial reports, (2) obligations and payment processing, (3) system usage, (4) receipts, (5) payroll, (6) overhead, and (7) travel and cash management services.

Full Time Equivalent (FTE): This activity requires no FTE.

Financial Statement Audit – *Fee for Service Activity*

Description of Service: DHS awards a contract to an independent CPA firm to perform a financial statement audit functions. The contract includes time and materials for audit services with the auditor providing the services and billing for hours worked at billing rates commensurate with the audit position being billed. The costs include travel and incidental costs associated with the performance of the audit as permitted by the contract maintained by the Office of the Inspector General (OIG) as the Contracting Officer's Technical Representative (COTR). Award will be made under a GSA schedule contract.

The Financial Statement Auditor is selected through contracting procedures by the OIG (with the Bureau of Public Debt (BPD) acting as the procurement office) and must stay independent to the DHS Components that are being audited. The auditor selected commences work immediately and entrance conferences are held within a short time after award of the financial statement audit contract.

The Office of the Chief Financial Officer (CFO) coordinates and prepares the DHS consolidated financial statements and in this role acts as primary liaison for the auditors. All DHS departmental CFOs coordinate with the Director of Financial Management in the preparation of financial statements and completion of the audit.

The Office of the Inspector General became the COTR in FY 2005. The WCF funds will be used to support the departmental financial statement audits with the OIG having the following responsibilities:

- Contracting with an independent public accounting firm to perform the FY 2007 DHS financial statement audit.
- Providing oversight of the contract auditor
- Providing estimated cost information that allows the OCFO to properly budget for audit costs
- Notify the OCFO of any potential cost overruns and the related reasons
- Review and approve invoices for payment. The OIG charges no fee to the WCF for these services.

Cost Allocation Methodology: The cost allocation methodology is the sum of the estimated auditor's billable hours multiplied by the hourly rate plus travel and incidental costs.

Full Time Equivalent (FTE): This activity requires no FTE.

Internal Audit - ***Fee for Service Activity***

Description of Service: The contract includes time and materials for internal control audit services with the auditor providing the services and billing for hours worked at billing rates commensurate with the audit position being billed. The costs include travel and incidental costs associated with the performance of the audit as permitted by the contract maintained by the OIG as the COTR. Award will be made under a GSA schedule contract.

The Internal Control Auditor is selected through contracting procedures by the OIG (with the Bureau of Public Debt (BPD) acting as the procurement office) and must stay independent to the DHS Components that are being audited. The auditor selected commences work immediately and entrance conferences are held within a short time after award of the financial statement audit contract.

The Office of the Chief Financial Officer (CFO) coordinates the assessment process to support management's assertion and in this role acts as primary liaison for the auditors. All DHS departmental CFOs coordinate with the Director of Financial Management in the preparation of and completion of the internal audit.

Rates and Basis of Reimbursement DHS Components will be billed on GSA schedule rates, with any negotiated discounts, based on auditor hours worked multiplied by a per consolidated audit contract hourly rate. The details of the contract requirements and allowable labor rates and expenses are maintained by the COTR and BPD and are available for review. The formula used to calculate the fair and equitable portion of the Financial Statement audit for the major bureaus is as follows:

Cost Allocation Methodology: The cost allocation methodology is the sum of the estimated auditor's billable hours per Component multiplied by the hourly rate plus travel and incidental costs.

Full Time Equivalent (FTE): This activity requires no FTE.

Financial Management – ***Fee for Service Activity***

Description of Service: The Department of Homeland Security, Office of the Chief Financial Officer, Department Operation Branch (DOB), provides financial management support to Departmental Management and Operations. Services include budget formulation and execution of the Departmental Management and Operations appropriation, which is comprised of four separate appropriations including: the Offices of the Secretary and Executive Management Offices (OS&EM); the Under Secretary for Management (US/M); the Chief Financial Officer and the Chief Information Officer. The Executive Management Offices are independent offices that report directly to the Secretary and operate without financial management personnel. These offices rely on DOB for financial management and budget support. It is estimated that the DOB

processes approximately 100 to 150 procurement requests per month. Procurement requests may vary in complexity and dollar value, ranging from $25 to over $1 million for one request. The Contractor provides the personnel and materials to perform the following budget execution activities as follows:

- Processing of Procurement Requests
- Commitment and Obligation of Funds
- Processing of Travel Authorizations and Vouchers
- Reconciling a Centrally Billed Travel Account
- Set up and Coordination of Purchase Cards
- Periodic Purchase Card reporting and review
- Invoice Processing and Certification
- Review and Accuracy of Financial Data
- Reconciliation of accounting records and financial data in FFMS
- Development of Status of Funds Reporting
- Financial Reporting as required or needed for special requests
- Periodic review of Payroll data to ensure accurate reporting

Cost Allocation Methodology: The cost allocation methodology is a pro-rata share based on the percent of each office within Departmental Operations' adjusted total budget divided by the total Departmental Operations' adjusted total budget multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires four FTE.

Bankcard Program - *Fee for Service Activity*

Description of Service: As part of the GSA SmartPay contract, DHS entered into a tailored task order with US Bank on June 25, 2003, for purchase card services. Under this task order, US Bank will be the sole provider of purchase cards for all organization elements within DHS. The inherent nature of purchase cards under the GSA SmartPay contract is issued to individual employees of an organization but are billed and paid centrally, or at the corporate level using each independent agency's funding string(s). Individual cardholders are not responsible for payment to the bank.

DHS has selected the U. S. Coast Guard (USCG) as the servicing agent to provide for a centralized invoicing and payment system for Components within DHS. The Finance Center (FINCEN) has developed and implemented a system that supports the receipt of daily invoices

for all of DHS from US Bank. This system assures payment of those invoices within one business day of receipt, and provides transmission of an electronic file containing transaction data to each Component's accounting system.

Cost Allocation Methodology: The cost allocation methodology for this activity is based on the percent of each Component's number of Bankcard transactions processed divided by the total number of Bankcard transactions processed for all participating Components multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

Treasury Information Executive Repository (TIER) – *Fee for Service Activity*

Description of Service: The DHS CFO's office is responsible for creating the Department-wide financial statements. As part of this process, two software packages are used to process the work. These two products are the Treasury Information Executive Repository (TIER) and CFO Vision Software. The CFO's office has established procedures and guidance for the Components to use. The DHS use of TIER and CFO Vision has benefited the entire Department by the cost and time savings involved in being able to produce financial statements in a timely manner. This has been a huge benefit especially with the accelerated timeframes for producing the Performance and Accountability Report (PAR).

Cost Allocation Methodology: The cost allocation methodology for this activity is average cost equally distributed to the organization element.

Full Time Equivalent (FTE): This activity requires no FTE.

National Finance Center (NFC) Payroll/Services and Reporting – *Fee for Service Activity*

Description of Service: The NFC Payroll provides DHS with payroll/processing and reporting support. In addition, NFC provides the Components specific services. The Components are already paying into the WCF for these services. Therefore, administering the costs of these services through the WCF will provide for greater efficiencies through centralized management. In addition, any changes in payroll requirements would be coordinated directly between HCBS staff and the NFC, on behalf of the Component's.

COST AREA	COST DRIVER
☞ Postage-Earnings and Leave and Personal Benefits Statements	Pieces of mail
☞ Treasury FMS Postage Charges for Single Address Checks	Checks mailed
☞ USDA OIG Oversight of Non-USDA Payroll Processing	Avg # of employees paid
☞ Payroll Operations Branch Support	Avg # of employees paid
☞ Tax Reporting	Avg # of employees paid
☞ Payroll Policy Support	Avg # of employees paid
☞ e-Pay Policy Support	Avg # of employees paid
☞ Benefits Reconciliation and Liaison Area	Avg # of employees paid
☞ Payroll Accounting	Avg # of employees paid
☞ Certification	Avg # of employees paid
☞ Debt Management	Receivables established
☞ Data Center Operations (Other than FOCUS)	Avg # of employees paid
☞ Payroll/Personnel Baseline Services	Avg # of employees paid
☞ Ad-Hoc reporting (based on CPU Minutes used)	CPU Minutes

The last 4 items are the most expensive "unit cost" items.

Cost Allocation Methodology: The cost allocation methodology is based on the Components average number of employees paid.

Full Time Equivalent (FTE): This activity requires no FTE.

HQ Human Capital Services - *Fee for Service Activity*

Description of Service: Recruitment and hiring services have been provided to HQ through Customs and Border Protection (CBP) via a contract with Your Recruiting Company, Inc. (YRCI). The purpose of this contract and the HTRT was to assist HQ in "ramping up" staff to meet business requirements. Since the formation of the DHS structure, the bulk of HQ personnel needs have been in-sourced to CBP's Human Resources Management Division. The vast majority of these services were, in turn, outsourced to a private firm tasked with assisting in the heavy workload associated with the ramp-up of HQ organizations. Over this past year, for example, the incumbent contractor has received and reviewed over 15,000 applications for employment with DHS HQ organizations. In the last year alone, the contractor managed over 1300 staffing and classification request, resulting in over 600 DHS HQ positions being filled within the established 45-day timeline established by OPM. HC Operations will continue its emphasis on "ramping up" and responding to staffing/hiring needs and filling service gaps; however, the goal in FY 2007 is to expand this service strategy from its current primary emphasis on hiring to a more robust, full-service human capital organization (which includes providing more personnel staffing support).

The HC Services team provides coordination and oversight support for outsourced services supporting HQ Human Capital operational needs. The team ensures that the personnel processes for HQ's managers/employees and service providers (excluding the OIG), runs efficiently and effectively. Examples of services provided include: Staffing and Recruitment; Position Classification/Position Management; Performance Management; Payroll and Personnel Action Processing; Employee and Labor Relations Support; Retirements and Benefits Support; Time and Attendance Support.

The HC Services Team will provide: *coordinated and prioritized services* to all DHS customers; will ensure timely and effective recruitment of staff; effectively manage the "on-board" staffing process (which includes security clearances and collaboration with the Personnel Security Office), quality personnel staffing services; and, efficient and effective facilitation of staff exiting out of DHS HQ. Performance measures of effectiveness and customer satisfaction surveys will be developed and utilized to gauge our ability to service DHS customers.

Cost Allocation Methodology: The cost allocation methodology is a pro-rata share based on the percent of each Component's number of FTE divided by the total number of participating component's FTE multiplied by total estimated cost of the activity.

Full Time Equivalent: This activity requires four FTE.

Human Capital Business Systems (HCBS) – *Fee for Service Activity*

Description of Service: The mission of the HCBS is to design, develop, acquire, implement, maintain and support DHS enterprise-wide HC business systems. The system capabilities meet the requirements specified by the user-community and provide services in a timely, user-sensitive and cost-effective manner.

As an example of the HCBS enterprise approach, two enterprise systems have been acquired; a PeopleSoft HRMS and a web based Time and Attendance system. Both systems are hosted at the National Finance Center (NFC) which already supports the DHS payroll system.2 This yields a DHS leveraged, cost effective approach where three integrated systems are supported by one service provider. The HCBS unit managed the acquisition process utilizing Component participation through requirements gathering and vendor negotiations. In the past, several individual government entities purchased these systems "on their own", but none have been able to match the competitive pricing that DHS secured via the HCBS enterprise approach.

HCBS continues its enterprise acquisition strategies on behalf of all of DHS Components, avoiding considerable duplicative costs if DHS Components proceed independently. In addition to the T&A system mentioned above, this includes additional enterprise HR services and

2 *Please note that O&M costs for the PeopleSoft HRMS are included in the NFC Payroll/Reporting section and are charged only to TSA and Coast Guard in FY 2007. It has not yet been determined which additional Component's will wish to participate in and fund this NFC modernized system.*

applications; web-based Performance Management (or "e-Performance); Employee/Labor Relations Case tracking; the Reward system for market-based pay analysis; Pay Tools/Utilities to assist with new pay cluster and band determinations; and an e-Classification/e-Recruitment enterprise system, to name a few. In each case the Components are supported by the HCBS unit in a collaborative and leveraged approach.

As this program focuses on reengineering human capital management and implementing information technology and associated business processes for the HC community, the composition of the HCBS team reflects the need for expertise in several areas, including: strategic planning; human capital business reengineering; business planning and requirements and integrated product development; system integration; data management; system security; and software development. Specifically, the HCBS will provide services and support such as: payroll conversion; personnel/payroll liaison; advocacy for the Component business interests and system changes; management of eGov initiatives such as eOPF and eTraining; supplemental training and end-user support; reporting and analysis; NFC reimbursable process; and centralized system changes for MAX ^{HR}. In addition, the office will administer other CHCO programs, such as Worker's and Unemployment Compensation, Flexible Spending Accounts, and Employee Express3, that will benefit all of the DHS organization or a group of specific Components, such as HQ.

In addition, HCBS will also provide oversight of the DHS eTraining initiative. One Program manager was hired in FY 2005 to oversee the DHS Headquarters (HQ) Learning Management System (LMS) – which, (in addition to the Government-wide "e-Gov" initiative), is included in the CIO's WCF budget, and ensures that Learning Management training objectives are met. This staff person was new in FY 2005 and included in this FY 2007 base budget. Oversight responsibility includes LMS, ensuring courses align with strategic goals, and working with Components to align their e-learning activities.

Benefit to the Customer: HCBS's services provide a strong value proposition for Components. Instead of each Component taking an individual approach, challenged by limited resources and competing initiatives, the HCBS offers a leveraged approach where it shares its resources and expertise towards deploying and managing enterprise solutions in collaboration and to the benefit of the Components. The role of the HCBS unit supports the enterprise perspective by capitalizing on lessons learned and industry best-practices to benefit the entire department. This type of centralized and collaborative approach with Components has proven to be successful and cost-effective for other Federal agencies.

HCBS is able to assist Components by providing an efficient means of acquiring technical services, contractual support, and subject matter experts (SME) with rare and difficult to hire skills. Specifically, the HCBS Team helps with: requirements development; system design;

3 We understand that functionality in NFC's Personal Page is duplicated in Employee Express, however, Employee Express has interactive voice response functionality required by employees who have no access to computers. We are working with our Components to determine a shutdown schedule for Employee Express, where possible.

market surveys; software demonstrations; contract sourcing, evaluation, vendor negotiation, and administration; hosting selection and management; application software maintenance; security and Privacy Act compliance; user application training; and project management. Components can leverage this HCBS' expertise and departmental buying power benefiting from competitive pricing that DHS has been able to negotiate through its enterprise acquisition strategies. The HCBS unit further supports the Components by taking all enterprise solutions through the entire DHS approval process including Certification and Accreditation, Privacy Impact Assessment, Enterprise Architecture Review, Technology Insertion and Investment Review Processes required of all applications under a given program. This saves the Components precious time and expense as the HCBS team will complete all needed approval processes at the department level.

A specific example of HCBS services benefiting a component in FY 2007 is work being done for the U.S. Coast Guard (USCG). USCG will be converting to the NFC Payroll/Reporting System at the end of FY 2006, as will the Transportation Security Administration (TSA). HCBS staff will be assisting with configuration, deployment and maintenance support for EmpowHR (the new modernized front-end system) and their conversion for WebTA (the new modernized time and attendance system). HCBS staff will also be leading the development and implementation of NFC required business changes to support new MAX^{HR} pay and performance programs and, ultimately, planning for the within-grade buyout process. In essence, HCBS will be the largest source of NFC knowledge supporting these two Components post conversion.

HCBS has prioritized and coordinated services from NFC, including direct HCBS interface with NFC for faster and more efficient customer service. NFC is required to deal with one point of contact for each customer – and DHS is now one customer. It is to our (business) advantage to help NFC help us by providing a centralized customer service center.

Below is a more detailed description of enterprise HR applications and services that are mentioned on page one and will hopefully answer some of the "What are we getting for our money?" and "What does this do for me?" questions that we have received.

✓ e-Performance: To support the new performance management process, a Web-based tool powered by SoftScape, Inc. has been selected by DHS to assist employees and managers in their enhanced performance management responsibilities. SoftScape, which will be integrated into overall MAX^{HR} program changes, is a commercial performance management application that is used by 1.7 million customers in 42 countries, including several big name corporate, state, and local clients. Among its many features, the system offers the advantage of Web-based workflow to facilitate performance management processes such as:

- Interactive Goal Planning and Communication, allowing both employees and their supervisors to participate in the goal development process and to automatically link organizational goals to individual or team/unit performance plans.
- On-Line Journaling, facilitating better record keeping of employee accomplishments throughout the performance year. Both the supervisor and the employee will have access to this feature.

- Self Assessment, providing an opportunity for employees to complete an assessment of their own accomplishments for consideration by their supervisor at year's end.
- Peer review and manager feedback, accommodating subordinate input to supervisory performance reviews and facilitating the selection of peer review teams (i.e., customers, co-workers) as additional input sources for both employee and supervisor performance reviews.
- Embedded Competencies, facilitating development and coaching discussions throughout the performance year.

Use of an automated performance management tool will provide significant advantages in the department's efforts to monitor the administration of the new performance management system. For example, the automated system will provide real time status information on supervisory completion of goal planning and assessment activities.

✓ WebTA: The new Web-based time and attendance system, called WebTA, was recently selected as the DHS enterprise standard and will eventually be used across the department. Some of the planned features of the time and attendance tool—and their benefits to employees and supervisors—will include:

- A Web-based system replacing workstation-based systems that are currently only accessible to designated timekeepers. Employees will be able to input time themselves, from any location with Internet access.
- Paperless leave requests eliminating the need for paper-based leave request/authorization forms. Automated workflow will assist in routing and processing employee leave requests.
- Built-in calendaring functions allowing supervisors to view requested and approved leave time at a glance and to assist in leave planning for peak holiday periods.
- Automated leave transfer capability.

✓ e-Payroll: At the time of the department's formation, payroll services for DHS employees were handled by eight different payroll providers. During the past two years and working in conjunction with an Office of Personnel Management sponsored ePayroll initiative, DHS has made significant progress in consolidating payroll operations. Currently, there are only two remaining payroll providers for DHS: The National Finance Center (our target end state payroll provider) and the department of Transportation (which currently services TSA and Coast Guard). Final testing was done for migrating TSA and Coast Guard to the National Finance Center, and final conversion ended late August 2005. Through this conversion, TSA and Coast Guard are also availing themselves to new human resources processing capabilities, which are based on PeopleSoft commercial software. PeopleSoft commercial software was also chosen as a new DHS standard this past January and will eventually be phased to all DHS Components.

The benefits of these payroll and HR processing changes, while largely transparent to employees, provides the department with an important single source of payroll and HR information. Payroll consolidation is also an imperative precursor for the MAX^{HR} program, as many of our policy changes, like new occupational clusters and new pay bands, will have profound impact on the HR and payroll processing systems. It is highly preferable to work these system changes with one payroll provider, rather than many.

✓E-Recruitment: A variety of recruitment systems are currently in use by DHS Components. As part of the effort to consolidate and modernize the HR systems, the DHS HCBS unit will lead an effort to consolidate towards an automated DHS enterprise solution that can contribute to material improvements in the overall hiring process. Automated and paperless hiring systems are excellent tools that can support:

- Human Capital Management and Workforce Planning
- Maximizing the size and quality of candidate pools for positions at all levels of the Department
- Providing selecting officials with the best-qualified candidates in the minimum time
- Applicant tracking
- Evaluating candidate characteristics and diversity
- Entry on Duty processing
- Meeting or exceeding the 45-day hiring model under the President's Management Agenda
- Dramatically decreasing the time and effort of the applicant and selection process
- Achieving these outcomes with overall efficiency and the least expenditure of resources
- Applicant database mining
- Seamless movement of job seekers to agency automated recruitment system

The use of an automated recruitment solution is necessary to meet mission critical needs of the Department. Technology-enabled recruitment can deliver both time savings and improved results. E-Recruitment is a broad term that encompasses the five major Components of the hiring/recruitment process:

1. Workforce Planning: Demand planning; supply planning
2. Requisitioning: Job descriptions; approval workflow; job posting
3. Candidate Acquisition: Referral management; candidate application; candidate screening/assessment; candidate marketing; candidate scoring/search
4. Applicant Tracking: Applicant workflow; communications/correspondence management; interview management; background checking/drug screening; "on-boarding"
5. Reporting/Analytics: Regulatory reporting; standard reporting/analytics; advanced analytics

✓REWARD™ is a suite of globally accessible compensation management applications that automates all aspects of compensation administration and pay delivery. Hosted by Watson Wyatt, REWARD is used in managing compensation programs. The Reward Suite is used to build and maintain compensation structures and broad bands, determine job levels by assessing internal job values and the competitive market, price jobs from REWARD's survey data warehouse, manage compensation survey data, market-price jobs and evaluate pay practices and link pay to performance.

✓HSLRB Tracking System: Web-based system used to track the status of labor relations cases that are presented before Homeland Security Labor Relations Board (HSLRB).

✓Pay Tools/Utilities: Web-based custom applications that are designed to provide support for HR specialists in setting pay, determining eligibility for pay, and other pay-related transactions. These tools will be based on the new pay rules and regulations.

✓e-OPF - Replaces the paper Official Personnel Folder (OPF) with an electronic Official Personnel Folder (eOPF). Like the current paper folder, the eOPF will encompass employees' entire Federal work histories. The eOPF will comply with all OPM record-keeping guidelines and protections. In addition, employees will realize significant benefits with the eOPF, including:

- Secure online access via the Internet. Official records will be electronically protected and backed up, and security controls will far exceed current manual paper handling processes. Strict adherence to privacy rules via a multi-level user security structure. The system provides an audit trail of who accessed and when.
- Immediate access to the folder and the information it contains. Employees will be able to view or print their e-OPF online, at home, or at work to check their personnel file information or verify its accuracy. Employees will receive automatic email notification when documents are added or changes are made to their e-OPF.

***Cost Allocation Methodology*:** DHS population serviced assumes billing based on the "average number of employees paid" (which is a snapshot for 12 mo. Pd prior to July 30, 2005 - which is consistent with NFC billing).

✓ For the T&A system, the population serviced is 75,583 - HQ, USSS, TSA, USCG.
✓ For the Performance Management system, the population serviced is 39,259 - USCG, HQ, USSS, FEMA, FLETC, and ICE.

It is important to note that for HRIT Systems, only those Components that are benefiting from specific systems are being charged in the year that they benefit – i.e., some Components system may be rolled out in FY 2007.

Full Time Equivalent: This activity requires sixteen FTE.

Flexible Spending Accounts (FSA) Administrative Costs – *Fee for Service Activity*

Description of Service: FSAs are employee-funded accounts that used by the employee account holder to pay for medical expenses that are tax deductible, but not reimbursed by any other source, as well as eligible dependent care costs. Contributions to the accounts come from an employee's pre-taxed salary; the Government does not make a contribution. There is a fee that is paid to the administrator of these accounts. The law now requires that agencies pay these fees on behalf of their employees.

The costs for this program are charged back based on actual invoices received in October and March of each calendar year. The March bill assesses a fee for employees of record as of January 1 of the calendar year. The October's bill makes an adjustment for any new employees who have entered the program since January 1. The October bill is generally small, but it is not received in time to be paid out of the appropriation for the year in which the cost was incurred. The Human Capital Business Office will manage the invoicing process with the FSA provider and charge the direct cost of the fees to the component based upon actual invoices received from the vendor.

Generally, the Department saves enough money in reduced payroll tax to cover administrative fees. We believe administering the costs of these services through the WCF will provide for greater efficiencies through centralized management.

Cost Allocation Methodology: The allocation methodology for the component assumes the total cost times the transaction % - which is the component's percentage of the population serviced (FTEs).

Full Time Equivalent (FTE): This activity requires no FTE.

DHS Executive Leadership Development – *Fee for Service Activity*

Description of Service: A well executed Executive Leadership Program is a key element in sustaining a "One DHS" culture. Developing and delivering the leadership curriculum in FY 2007 supports both the DHS Strategic Plan -- Goal 7: Organizational Excellence; Objective 7.3, and the Human Capital Strategic Plan. These efforts have also been addressed in Congressional testimony. For FY 2007, at a minimum the Executive Leadership Curriculum will consist of two DHS-wide leadership development activities:

- **Secretary's Senior Leadership Conference;**
- **Senior Executive Service Candidate Development Program (SES-CDP).**

The Secretary's Senior Leadership Conference is important as change management starts with top leadership. The purpose of this conference is to:

- Provide an opportunity for the Secretary to meet with DHS executives and for those executives to interact with each other;

- Broaden the perspective of DHS leadership by actively creating a forum for in-depth dialogue and discussion for cross-cutting Departmental issues;
- Allow executives to learn about both key DHS-wide and Component-specific strategic and tactical initiatives for the coming year, including implementation of MAX ^{HR}, which is predicated on strategic linkage of resources, performance and results;
- Provide perspective from the White House, Congress, and others on issues important to DHS.

The DHS Senior Executive Service Candidate Development Program serves as a corner stone for sustaining a corporate leadership identity (i.e., creating a "One DHS" culture) – as directed in the DHS Strategic Plan; contributes to meeting our succession planning goals; and creates a high-quality, SES leadership cadre. It is also a critical element in sustaining a "Green" under the President's Management Agenda's Human Capital Scorecard. Most cabinet level agencies have a corporate level succession planning program.

Recent workforce analysis focusing on DHS' top leadership positions, indicates that over a third of this leadership cadre is eligible to retire or will be within two years. A formal succession planning program ensures that emerging leadership needs and critical competency gaps are adequately addressed.

Funding requested for the SES CDP is $950K. We are estimating approximately 30 participants in the SES CDP at a cost of $25,000 each ($750K). This budget may also be used to fund one contractor to help implement the SES CDP (addition $200K). This includes developing and implementing SES Candidate special events and activities, and collecting and conducting qualifications assessments of Component nominated candidates.

This centralized program is intended to complement and enhance the strengths of existing Component Leadership development initiatives across the Department and further facilitate **succession planning** opportunities. The SES CDP will use the DHS Leadership Competency Framework to guide the competency development process. The staff person implementing the SES CDP will collaborate with Components to identify participant competency gaps and to identify courses and development opportunities to address those gaps. The independent contractor will provide a formal assessment process for selecting participants, an assessment instrument for identifying participant development needs, and program consultation.

A key component of this program is the opportunity for participants to take advantage of developmental/rotational opportunities in other DHS Components, thereby, increasing participant's "corporate" DHS knowledge and experience. In addition, Components benefit from these rotational assignments by having a senior staff person working with them on real issues and offering different perspectives and/or business experiences. One of the goals of this

program is for these candidates to be selected by OPM into the DHS SES corps. We ultimately seek to foster the development of a senior executive corps that operates with a DHS perspective in addition to a component perspective on critical issues.

Cost Allocation Methodology: The costs are allocated based on the percentage of SES slots a Component has relative to the total DHS SES (or SES equivalent) population excluding military. Allocation methodology for the Component's assumes the total cost times the transaction % - which is the Component's percentage of the population serviced.

Full Time Equivalent: This activity requires no FTE.

HQ Executive Leadership Development/General Workforce Training- ***Fee for Service Activity***

Description of Service: The HQ ELDP provides executive level training to close potential competency gaps in our DHS Headquarters leadership. It supports both the DHS Strategic Plan – Goal 7: "Organizational Excellence"; Objective 7.3, and the Human Capital Plan Goal: Exhibit Human Capital Excellence by fostering a "One DHS" organizational climate. Programs to support Executive Leadership are provided through the following programs: The Treasury Executive Institute (TEI); the SES Forum; and, the Individual Executive Development Training and General HQ Workforce training. In addition to TEI and the SES forum, training opportunities could include attending courses in the Management Development Center (Shepardstown, WVA) or the Federal Executive Institute.

Cost Allocation Methodology: The allocation methodology for the Components is the total cost divided by the population serviced.

Full Time Equivalent (FTE): This activity requires one FTE.

HQ Employee Assistance Program (EAP)— ***Fee for Service Activity***

Description of Service: The EAP program includes short term counseling for employees and family members, critical incident stress debriefing, peer support programs, short term counseling, management consultations, information and referral to community resources for mental health providers, mental health education training, and peer trauma team support. Early interventions may prevent or minimize long term emotional stress reactions of trauma victims and their families/colleagues. EAP assistance enables employees to achieve and maintain balance in their lives, increasing job performance, satisfaction, and morale. The development of a Peer Support Program will enhance management's ability to provide assistance in traumatic and critical incidents – both on the local level to our employees and on the national level to our employees and the public.

The EAP program is in support of DHS' Guiding Principle to Develop Human Capital and Strategic Objective 7.3: To ensure effective recruitment, development, compensation, succession management and leadership of a diverse workforce to provide optimal service at a reasonable cost. The EAP is mandated under 5 U.S.C. 7904, 42 U.S.C. 290dd-1(a), and 42 U.S.C. 290ee-1(a).

The EAP deals with a wide range of personal problems of employees that can adversely affect job performance, conduct or attendance. The EAP offers confidential, professional, short-term counseling to employees and their families who are experiencing, or are affected by, personal or behavioral problems including but not limited to alcoholism, drug abuse, job stress, family problems and mental health problems. EAP services include but are not limited to short term counseling, consultations with management, information concerning community resources and referral to such resources, health education, training, and response to traumatic incidents such as shootings, line of duty deaths and terrorist attacks. The EAP is designed to provide assistance to employees to enable them to achieve and maintain balance in their lives, thereby maximizing work performance, job satisfaction and morale. A Peer Support Program conducted under the auspices of the EAP will provide management with an additional resource for critical incident response.

Cost Allocation Methodology: The cost allocation methodology for this activity is the total cost of the EAP program divided by the population serviced – HQ – 3,244 FTE, which includes the Office of Inspector General. Allocation methodology for the Components assumes the total cost times the transaction % - which is the Components percentage of the population serviced.

Full Time Equivalent (FTE): This activity requires no FTE.

CIO/DHS Infrastructure Transformation Program – *Fee for Service Activity*

Description of Service: The DHS Consolidated IT Infrastructure serves the majority of the 180,000 employees who transferred into the new Department on March 1, 2003. Since the IT infrastructure provides the foundation for effective operations of DHS systems and applications, including information sharing across Components, a reliable and robust infrastructure is critical to the success of the DHS mission. From a business perspective, the goal of the IT infrastructure transformation is for the Department to be able to share data from any point in DHS to any decision maker.

The program seeks to create a robust platform on which to quickly launch new capabilities. For example, the newly combined Components support 15 separate targeting systems, 14 alerts and warnings systems, and a handful of identification and credentialing systems. Moreover, DHS runs 15 data centers, six wide area networks, and multiple local area networks with overlapping system circuitry. The data centers contain over 12,000 servers. Contrasting acquisition strategies and IT infrastructure policies among Components further complicate the DHS environment.

The Infrastructure Transformation Office (ITO) has been chartered by the CIO Council and resides within the Office of the CIO. The office is led by a Director and a CIO Council member executive sponsor and is supported by a senior executive steering group of CIOs, which is staffed by a team of technical experts hired by the Department HQ from the Components, several Components working group members, and contractor support. The project is broken down into the following four "areas":

Operations Center: Each Component currently employs its own helpdesk, network operations centers and security operations centers. The objective of this project team is to establish and implement one centrally managed, collocated DHS Integrated Help Desk/Network Operations Center/Security Operations Center that supports the entire DHS IT Infrastructure. These functions will ensure that user problems are identified, tracked and solved expeditiously, that the network is continuously monitored and maintained in an operational status, and that the IT infrastructure remains secure.

Data Center: DHS runs 15 data centers in the current environment. The objective of this team is to reduce the number of data centers down to no more than a handful as appropriate. The project team seeks to increase the efficiency and cost effectiveness of DHS data centers through first co-locating data centers and centralizing data center services, and then consolidating systems onto fewer platforms. DHS data centers will be implemented with the same standard configuration and will be mirrored for redundancy, fail over, and load balancing.

Network: DHS has identified six wide area networks and a multitude of local area networks. DHS must move toward a single, reliable, scalable, secure, and survivable data communications network (wide and local area networks) to support IT users as they employ mission and business-critical systems and applications to gather, transmit, store, secure, query, and retrieve the data required for them to do their jobs. The project team is in the process of streamlining and standardizing the network environment, minimizing the amount of redundant infrastructure and will develop a department-wide network topology with centralized processes and procedures. The network infrastructure will provide a transport mechanism allowing full interoperability within DHS to be accomplished in alignment with existing requirements.

Desktop & Collaboration: DHS currently supports various operating systems, desktops, and collaborative tools in its current desktop environments. Through this investment, DHS will deploy and manage a common desktop and collaborative environment. Users will conduct business using standard terminal devices and collaboration tools within a centrally managed infrastructure based on the foundation of one network. The standardized desktop and collaboration environment will provide interoperability as well as a stable foundation for incorporating new requirements and for providing regular upgrades and technology refreshments. The collaboration tools will provide DHS with a capability that will allow any DHS employee to communicate with any other DHS employee from any workstation or telephone that is part of the enterprise.

Cost Allocation Methodology: The cost allocation methodology is based on direct negotiations with the Components CFO's and CIO's.

Full Time Equivalent (FTE): This activity requires ten FTE to oversee the design, operations and deployment of the new desktop, operations centers and data center functions.

National Capital Region Infrastructure Operations (NCRIO) - *Fee for Service Activity*

Description of Service: The NCRIO will serve the majority of DHS Headquarters users for network, email, internet, intranet, and telecom infrastructure, as well as all end user desktop computing, telecom, and wireless services. NCRIO's Program Management Office (PMO) coordinates management and deployment of infrastructure resources along with build-out of new facilities and provides continuous operations, help desk, vendor management, financial management, and technology evaluation. Working with Directorate CIOs, NCRIO will ensure effective customer service, performance management and measurement for continuous availability of all critical infrastructure services along with vendor effectiveness and accountability. The WCF for the NCA IT Infrastructure includes expenditures for data (network), voice (phone) and video (VTC) support for users in DHS HQ, BTS Office of the Under Secretary and the Office of the Inspector General.

Cost Allocation Methodology: The FY07 WCF submission is allocated among the four participating organizational Components, USM, Under Secretary for Preparedness, S&T, and Operations Coordination. & Intel and Analysis as agreed upon in the Memorandum of Understanding for Shared Services Allocations. The MOU separates the NCAIO costs into service categories, which further allocate the costs by specifically agreed upon algorithms. For the purposes of meeting budget submission timelines some proxies to the MOU were made, i.e. seat counts were based on personnel projections as apposed to the count of end-user desktops and laptops. These proxies will be replaced by actual costing information throughout FY07 on a quarterly basis and each participating organizational component's costs will be adjusted.

For projection purposes, a personnel projection of 160 was included to capture the expected growth for DNDO and kept separate since it is not known where this organization will reside at DHS. The OCIO carries the cost for up to 830 DHS HQ staff. Under Secretary for Preparedness, S&T, Operations Coordination & Intel and Analysis, and US Visit are not included in the 830 headcount.

Full Time Equivalent (FTE): This activity requires nine FTE.

Software Enterprise Licenses – *Fee for Service Activity*

Description of Service: A standard and consistent DHS process provided by a centralized tool will facilitate compliance and oversight responsibilities of the Chief Information Security Officer (CISO) and the Office of Inspector General. The Department continues to pursue opportunities

to benefit from economies of scale, moving from component or office specific software licenses to larger enterprise licenses for common services.

Microsoft: The account provides for the funding and management of the Microsoft Enterprise Agreement awarded June 2003, which provides enterprise access to the Microsoft suite of products. The products include the software needed for both the individual desktop, laptop, and server platforms, such MSOffice, MSProject, MSViso, MS Advanced Server, etc. This agreement is utilized by all of DHS. The request reflects the contractual obligations of each of the Components.

Cost Allocation Methodology: The cost allocation methodology is the unit contract costs multiplied by the number of sites or licenses each Component requested.

Full Time Equivalent (FTE): This activity requires one FTE to facilitate compliance and oversight responsibilities of the various software licenses.

SMARTCARD - *Fee for Service Activity*

Description of Service: The Public Key Infrastructure (PKI) service provides digital certificates and certificate validation services for the DHS smartcards. The Smart Card program is managed by the OCSO and the PKI program is managed by the OCIO. The FY 2007 request is for PKI services which include: Identification, Signature and E-Mail Encryption certificates for 82,800 smart card users, certificate validation services and support for each user. The Smart Card Program provides for implementation of a Department-wide identification system for DHS federal employees, contractors and detailees in accordance with Homeland Security Presidential Directive (HSPD 12) of August 27th 2004 and NIST publication FIPS 201. This initiative combines the cyber security infrastructure and the physical security infrastructure in a single enterprise-wide security model by requiring a single universally accepted FIPS token, the DHS Access Card.

Cost Allocation Methodology: The cost allocation methodology is a pro-rata share based on the percent of each organizational element's Full Time Civilian Equivalent (FTE) divided by DHS's total Civilian FTE multiplied by total estimated cost of the activity. This activity only benefits Civilian personnel; therefore Military FTE is excluded in the Cost Allocation Methodology.

Full Time Equivalent (FTE): This activity requires no FTE.

Procurement Operations – *Fee for Service Activity*

Description of Service: The DHS Office of Procurement Operations (OPO) provides full service acquisition support to the Office of the Secretary, the Undersecretary for Management, Science and Technology, U.S. Citizenship and Immigration Services, and the US Visit Program Office. In addition, the OPO provides acquisition services for department-wide acquisition initiatives identified by both the Chief Information Officer and the various commodity councils within DHS. Services provided include acquisition planning, training, execution, and administrative services.

Cost Allocation Methodology: The cost allocation methodology for this WCF activity is based on 1.4% of the obligated dollars of the Component's purchases, the number of purchases, and the total number audited documents.

Full Time Equivalent (FTE): This activity requires 220 FTEs in FY 2007 to provide client support for procurement, grants and surge works. These FTE are reimbursable to OCPO and are new FTE and new hires. These FTE are physically organized under OCPO and are housed in OCPO facility space.

Board of Contract Appeals - *Fee for Service Activity*

Description of Service: The Federal Acquisition Regulation (FAR) requires that DHS establish a venue to hear and resolve contractor disputes, protests, and other issues within its jurisdiction related to DHS contractual matters. After analyzing the pros and cons to establishing a DHS Board of Contract Appeals, DHS determined establishing an interagency agreement with the Department of Transportation was the most cost effective way to provide these services.

The customer is provided a professional venue that provides both the contractor and the neutral forum to resolve contractor disputes and protests. Standards for timeliness and quality of services are defined in the FAR. This activity is an established venue with a long track record of professional services. The Component does not have to establish an interagency agreement for these services and DHS provides the initial good faith outlay.

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's FTE divided by the total FTE multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

Government Advisory Committee Survey Training – *Fee for Service Activity*

Description of Service: The Government Advisory Committee Survey Training is designed specifically to identify the critical success factors associated with active, engaged, and effective Federal Advisory Committees. The Advisory Committee Engagement Survey (ACES) gives measures needed to get the most from private-sector advisers. The ACES provides an objective assessment based upon feedback from the committee members and staff, which helps to fine-tune management approaches. In addition, "best practices" from world-class advisory committees can help to assure that committees are supporting the agency's mission effectively. The cost for each committee participating in the survey is $1,000 which will cover the cost of the survey administration, training, and (including an expanded best practices briefing and a manual for use in implementing the survey results) briefing of committee managers on survey results.

Cost Allocation Methodology: The cost allocation methodology for this activity is based on the unit cost of providing survey administration and training multiplied by the number of committee surveys for each Component participating in the survey.

Full Time Equivalent (FTE): This activity requires no FTE.

Tri-Bureau Services Activity

Tri-Bureau Human Resources Shared Services – *Tri-Bureau Service Activity*

Description of Service: Customs and Border Protection provides human capital operations services to two additional DHS offices: Immigration and Customs Enforcement (ICE) and U.S. Citizenship and Immigration Services (USCIS). This shared service agreement is also known as "Tri-Bureau HR Services" and has as an underlying objective of shared services to ensure the most efficient and effective use of HR management resources through process improvement and automation. CBP is providing services related to hiring, staffing and classification of positions. In addition they maintain and support records management.

No funds are requested to provide oversight of HR services provided. CHCO will utilize an existing appropriated staff person to ensure coordination, collaboration and communication among and between all Tri-Bureau customers and service providers.

By moving this activity into the CHCO WCF, it moves DHS another step closer to "functional integration" and further promotes a "One DHS" corporate culture.

Cost Allocation Methodology: The cost allocation is based on the FTE population serviced and the amount of work provided to each agency serviced. The cost allocation methodology is a pro-rata share based on the percent of each component's FTE divided by the total number of participating Components' FTE multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

IT Services from Department of Justice (DOJ) – *Tri-Bureau Service Activity*

Description of Service: The Department of Justice (DOJ) MOU Working Group was formed in October to perform an analysis that will clarify IT services that DHS requires from DOJ and the associated costs. The working group assists in defining the specific IT service requirements of each Component currently using DOJ as the provider ICE, CBP, USCIS, and HQ. The Tri-Bureau Components are legacy DOJ agencies. The working group is also preparing migration plans to transfer services to DHS over time.

DOJ provides the following IT services:

- **Data Center Services** - provide application hosting OS/390 platform for over 40 applications; application hosting on AIX Unix platform for over 25 applications; housing of DHS servers; and separate raised-floor computer room space and utilities.
- **Data Networks Wan Services** – provide Justice consolidated Network and FTS-2001 data services including long-distance voice and calling card services; Metropolitan Area Network; Data circuit ordering services; and secure messaging services.
- **Voice Networks WASP Services** - provide the Washington Area Switch Program that provides voice services to the Washington Metropolitan area.
- **JUST Message Switch** - provide the Justice Telecommunications Communications System (JUST) access to the National Crime Information Center (NCIC) and state and local law enforcement data for Federal Law Enforcement Agencies.
- **Web/Internet Services** – provide Internal and External Communications.

Cost Allocation Methodology: The cost allocation methodology is based on the actual usage as determined by Department of Justice.

Full Time Equivalent (FTE): This activity requires no FTE.

GOVERNMENT-WIDE SERVICE ACTIVITY

Interagency Council Funding - *Government-wide Service activity*

Description of Service: GSA provides oversight and administers the Interagency Council funds in consultation with the Chief Financial Officers Council, the Chief Information Officers Council, the Federal Acquisition Council and the Chief Human Capital Officers Council.

- **Chief Financial Officers (CFO) Council Funding Supports the Following Activities:**
  - Federal Audit Clearing House (FAC)
  - Grants Streamlining
- **Chief Information Officers (CIO) Council Funding Supports the Following Activities:**
  - A $2 million contract to support the Portfolio Management Office for the ongoing E-government initiatives efforts.
  - Federal Enterprise Architecture (FEA) — the FEA PMO will continue their efforts to identify and develop collaboration and consolidation

opportunities across Federal agencies in support of the President's Management Agenda initiatives.

- **Federal Acquisition Council (FAC) Funding Request Supports the Following Activities:**
  - The Federal Competitive Sourcing Database (FCSD) is intended to facilitate comprehensive, consistent, and timely reporting of government actions related to competitive sourcing.
  - Acquisition Workforce Competency Development and Training - In 06, more agencies will use the Acquisition Career Management Information System (ACMIS) database providing workforce training data and OPM data to make strategic workforce decisions affect the agency training and certification requirements.
  - Government-wide Performance Measures for Socio-Economic Goals - Small business success is currently measured by meeting established statutory goals.
  - Procurement Center Representatives (PCRs) Online - In order to obtain the appropriate level of contributory review, and move the procurement along in a timely fashion, it would facilitate the requirement if the agencies and SBA used an online workload tool.
  - The Service Acquisition Reform Act SARA, Acquisition Advisory Panel and Report to Congress - Section 1423 of SARA requires the Administrator of OMB/OFPP to establish an advisory panel of recognized experts in acquisition law and policy to review laws and regulations regarding the use of commercial practices, performance-based contracting, the performance of acquisition functions across agency lines of responsibility, and the use of Government-wide contracts.
  - Acquisition Center of Excellence - SARA mandates the development and maintenance of a Center of' Excellence in Contracting for Services.
- **Chief Human Capital Officers Council (CHCO) Funding Request Supports the Following Activities:**
  - CHCO Website - A critical component in advancing the government-wide goals of this management innovation will be the development and maintenance of a high-quality, component rich Web content delivery system. The creation of this site will establish the World Wide Web identity of the CHCO Council and provide a vehicle for sharing and exchanging information of interest to the Federal human resource management community. The system also will provide a forum for the exchange of information among members of the Council in both a public and private manner.

Cost Allocation Methodology: The cost allocation methodology for this activity is pro-rata share based on the percent of each participating Component's adjusted total budget divided by DHS's total adjusted total budget (excluding grant funding) multiplied by the total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

Recruitment One-Stop- *Government-wide Service activity*

Description of Service: The Recruitment One-Stop (ROS) initiative is a Government-wide initiative led by the Office of Personnel Management (OPM). All agencies fund their portion of this program (based on employment levels). Regulations contained in 5 CFR Parts 330, 333, and 335 implement section 4 of Public Law 1054-52 and authorizes OPM to charge fees to agencies to pay the cost of providing Federal employment information and services.

This program seeks to simplify the process of locating and applying for Federal jobs. It delivers a number of new job seeker focused features including intuitive job searching; clean, concise, understandable and attractive job announcements; on-line resume submission; applicant data-mining; and on-line feedback on status and eligibility. USAJOBS Federal Employment Information System delivers state-of-the-art on-line recruitment services to job seekers including intuitive job searching, on-line resume submission, applicant data-mining, and on-line feedback on status and eligibility.

Managing Partner: OPM

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Full Time Civilian Equivalent (FTE) divided by DHS's total Civilian FTE multiplied by the total estimated cost of the activity. This activity only benefits civilian personnel; therefore, military FTE is not included in the cost allocation methodology.

Full Time Equivalent (FTE): This activity requires no FTE.

E-Training – *Government-Wide Service Activity*

Description of Service: Creating a premier E-Training environment that supports development of the federal workforce through simplified and one-stop access to high quality e-training products and services, and, thus, advances the accomplishment of agency missions. Government-wide accomplishments derived from this activity are:

- Over 220,000 registered users and over 195,000 course completions to date
- Variable training costs have been reduced to less than a penny per student
- Launched IT security courses mapped to GISRA and NIST requirements

- Launched Module 3 which includes initial establishment of IT Communities of Practice (COP)/Knowledge Domain through the IT Workforce Development Roadmap; e- mentoring; upgraded performance support tools; and initial standardized reports.

Managing Partner: OPM

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Full Time Equivalent (FTE) divided by DHS's total FTE multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

Enterprise HR Integration – ***Government-Wide Service Activity***

Description of Service: EHRI is a collaborative e-Government initiative designed to transform the way Federal HR Specialists and Managers access human resource information and the way all Federal employees access their personnel file information. When fully implemented, EHRI will replace the current paper based Official Personnel Folder (OPF) with an electronic employee record for all Executive Branch employees, resulting in a comprehensive electronic personnel data repository covering the entire life cycle of Federal employment. In addition to streamlining personnel management actions, EHRI will provide HR managers and specialists with powerful workforce analytic and planning capabilities. Progress to date includes:

- In 2004 and 2005 TSA and USCG converted their OPFs to electronic format.
- In March – April, 2005 DHS/OPM Interagency Agreement ($70K) - DHS and CBP conducted an Assessment with OPM, mapping out an enterprise approach for all of DHS.
- In June 2005 - Interagency Agreement ($3.64M) to start the enterprise approach including needed hosting, software licensing and paper file conversions with CBP and CBP customers.
- Conversion of USSS, FLETC, and FEMA records is tentatively scheduled for FY 2007.
- FY 2007 and beyond will be in a steady state.

Managing Partner: OPM

Cost Allocation Methodology Costs for EHRI's products and services will be recovered by EHRI from all agencies on an equitable basis related to the size and usage of each participating agency. Charges to each agency will be established by distributing total EHRI costs to all clients on the basis of the number of OPFs or on the basis of actual cost, depending on the service. Usage audits will occur at OPM's discretion, but at least annually, and will be used to make adjustments to cost recovery through the Interagency Agreement (IAA). EHRI will notify DHS of their revised annual costs within DHS's annual cycle, at least 90 days prior to completion of the cycle. Billing will be done annually, in advance, using DHS's Agency Location Code (ALC) via the Department of Treasury's Inter-Governmental Payment and Collection system (IPAC).

Any optional services provided to DHS will be billed on a cost recovery basis at the time the service request is signed by both EHRI and DHS.

Full Time Equivalent (FTE): This activity requires no FTE.

Business Gateway - *Government Wide Service Activity*

Description of Service: Business Gateway reduces the burden on businesses by making it easy to find, understand, and comply with relevant laws and regulations at all levels of government. The Business Gateway will be the cross agency portal for businesses that integrates the content and functionality of number of federal business web sites (e.g., business.gov, businesslaw.gov, sba.gov). The goals of Business Gateway are as follows:

- Develop a catalog of federal forms for Business.gov.
- Expand harmonized miner reporting (Mine.gov) to include additional federal agencies and additional states.
- Develop the Business Gateway portal into the Federal cross-agency portal for businesses, integrating the content and functionality of SBA.gov, BusinessLaw.gov, Business.gov and related sites into one comprehensive site: business.gov.

Managing Partner: Small Business Administration (SBA)

Cost Allocation Methodology: The cost allocation methodology for this activity is pro-rata share based on the percent of each participating Component's adjusted total budget divided by DHS's adjusted total budget (excluding grant funding) multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

E-Rulemaking – *Government Wide Service Activity*

Description of Service: E-rulemaking is a collaborative, inter-agency activity whose purpose is to establish a common, automated and integrated approach to managing the federal government's rulemaking function. The activity consolidates rulemaking systems at the various departments and agencies and is centrally managed through a web-based environment offering such as one-stop access, search capabilities, and public commenting. E-rulemaking activities include:

- Establish and staff an e-Rulemaking Program Office to implement the Initiative, participate on an inter-agency advisory board comprised of federal agencies, and establish work groups to address projects and tasks essential to the successful execution of the initiative.
- Conduct meetings for the purpose of collaborating with other federal agencies to enhance the Initiative.

- Facilitates an effort under the Advisory Board develop to cost reimbursement formula for Agencies to support, migrate, and operate and maintain the Module 2 system.
- Develop an online rulemaking docket management system. Costs borne by EPA and reimbursed by DHS will reasonably will reasonably reflect DHS's share of the cost in FY07 to develop Module 3 and DHS's allocable share costs to support, migrate, operate, and maintain Module 2, Module 3, and related activities.
- Coordinate and ensure participating and partner members have an opportunity to review project management documentation, including Exhibit 300 of OMB Circular A-11, work breakdown structure, project plans, and statements of work.
- Execute interagency agreements to affect DHS's transfer of funds.

Managing Partner: Environmental Protection Agency

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each participating Component's adjusted total budget divided by DHS's adjusted total budget (excluding grant funding) multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

e-Travel – *Government Wide Service Activity*

Description of Service: This activity provides a government-wide web-based service that applies world-class travel management practices to consolidate federal travel, minimize cost and produce superior customer satisfaction. From travel planning and authorization to reimbursement, the e-Travel will leverage administrative, financial and information technology best practices to realize significant cost savings and improved employee productivity. Progress to date is as follows:

- 22 of 24 Agencies signed MOUs and submitted Migration plans to E–Travel.
- Completed Independent Verification &Validation and Initial Operational Capability activities.
- Achieved Full Operational Capability (FOC) – e-Travel Service (e-TS) vendors can accept task orders from Agencies.
- Awarded first e-TS task order.
- Published Federal Travel Regulation amendment requiring the 24 Agencies to have signed e-TS Task Orders by December 31, 2004 and will be deployed to e-TS on September 30, 2006.

Managing Partner: General Service Administration

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Full Time Equivalent (FTE) divided by DHS's total FTE multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

Case Management Line of Business – *Government Wide Service Activity*

Description of Service: Case Management Line of Business is one of five lines of business supporting the President's Management Agenda goal to expand Electronic Government. The goal of the effort is to identify opportunities to reduce the cost of government and improve services to citizens through business performance improvements.

Managing Partner: Department of Justice

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Law Enforcement Full Time Equivalent (FTE) divided by DHS' total Law Enforcement FTE multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

E-Grants – *Government Wide Service Activity*

Description of Service: E-Grants create a single portal for all federal grant customers to find, apply and manage grants on-line. The Grants.gov Storefront provides electronic functionality for applicant's grantees, and reduces the paper-based processes that currently challenge the Federal grants environment. The initiative is designed to reduce existing inefficiencies, meet E-Gov goals, and provide benefits to both citizens and the government. Specifically, the initiative enables the government to meet many of the streamlining activities required by Public Law (PL) 106-107, Federal Financial Assistance Management Improvement Act, and called in the President's Management Agenda, such as deploying a unified search/find capability for grant opportunities, standard data sets, and a common mechanism and processes for applying for Federal grants funds.

Managing Partner: Department of Health and Human Services

Cost Allocation Methodology: The cost allocation methodology is a pro-rata share based on the percent of each organization element grant funding divided by DHS's total grant funding multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

E-Authentication – *Government-Wide Service Activity*

Description of Service: The E-Authentication activity was implemented to minimize the burden on businesses, the public and government when obtaining services on-line by providing a secure infrastructure for on-line transactions, eliminating the need for separate processes for the verification of identity and electronic signatures. The goal of the E-Authentication Initiative is to provide trusted and secure standards-based authentication architecture to support the 24 government-wide e-government initiatives. This approach will provide a uniform process for establishing electronic identity and eliminate the need for each initiative to develop a redundant solution for the verification of identity and electronic signatures. E-Authentication's distributed architecture will also allow citizens and businesses to use non-government issued credentials to conduct transactions with the government.

Successful implementation of E-Authentication will produce numerous benefits for the public and the federal government. Citizens and businesses will have a secure, easy-to-use and consistent method of proving identity to the government and will be spared the burden of having to keep track of multiple sets of registration information. Federal agencies will be able to reduce authentication system development and acquisition costs and reallocate labor resources previously used to develop such systems

Managing Partner: General Service Administration

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Full Time Equivalent (FTE) divided by DHS's total FTE multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

Human Resources Line of Business (HRLOB) – ***Government-Wide Service Activity***

Description of Service: HRLOB is one of five lines of business supporting the President's Management Agenda. Interagency teams will examine business and information technology data and best practices for each line of business – financial, human resources, grants, health, and case management systems. The goal of the effort is to identify opportunities to reduce the cost of government and improve services to citizens through business performance improvements.

Managing Partner: Office of Personnel Management

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Full Time Civilian Equivalent (FTE) divided by DHS's total Civilian FTE multiplied by the total estimated cost of the activity. This activity only benefits civilian personnel; therefore, military FTE is not included in the cost allocation methodology.

Full Time Equivalent (FTE): This activity requires no FTE.

E-gov Benefits – *Government Wide Service Activity*

Description of Service: The GovBenefits.gov activity provides a single point of access for citizens to locate and determine eligibility for government benefits and services. The site now offers links to 234 benefits programs, representing $1.3 trillion in annual benefits. Program benefits are as follows:

- A partner room, with instructions on how to become a partner of GovBenefits and presentations about the project available to download.
- A press room, with general information, press releases and biographies of the management team.
- These enhancement goals to GovBenefits.gov are a direct response to citizen feedback that has been received about the site.

Managing Partner: Department of Labor

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Full Time Civilian Equivalent (FTE) divided by DHS's total Civilian FTE multiplied by total estimated cost of the activity. This activity only benefits civilian personnel; therefore, military FTE is not included in the cost allocation methodology.

Full Time Equivalent (FTE): This activity requires no FTE.

Financial Management Line of Business (FMLOB) – *Government-Wide Service Activity*

Description of Service: The FMLOB task force has set goals out to define, analyze, and implement options that will enhance cost savings in the financial management systems; provide for standardization of business processes and data models; promote seamless data exchange between Federal agencies; and strengthen internal controls through integration of core financial and subsidiary systems. The FMLOB task group's current objective is to evaluate alternatives and recommend overall strategy for: financial management enterprise architecture, standardization of business processes and data models, and business efficiencies in acquisition and delivery.

Managing Partner: Office of Management and Budget

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each participating Component's adjusted total budget divided by DHS's adjusted total budget (excluding grant funding) multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

E-gov Integrated Acquisition Environment – *Government Wide Service Activity*

Description of Service: The Integrated Acquisition Environment activity is a secure business environment that facilitates and supports cost-effective acquisition of goods and services in support of mission performance. The goals for the Integrated Acquisition Environment activity are as follows:

- Create a simpler, common, integrated business process for buyers and sellers that promote competition, transparency and integrity.
- Increase data sharing to enable better business decisions in procurement, logistics, and payment and performance assessment.
- Take a unified approach to obtaining modern tools to leverage investment costs for business related processes.

Program Objectives

- Deploy a single point of registration and validation of supplier data accessed by all agencies.
- Implement a central point for consolidated collection and access of statistical and management information related to government acquisitions.
- Implement a directory of contracts to simplify selection and facilitate leverage of Government buying.
- Develop a standard glossary and vocabulary to facilitate exchange of data between and within agencies.
- Transform intra-governmental ordering and billing to enable universal electronic processes, reduce payment and collection problems, and enable swift and accurate revenue and expense elimination processes for preparing consolidated financial statements.

Managing Partner: General Service Administration

Cost Allocation Methodology: The cost allocation methodology is a pro-rata share based on the percent of each Component's measurement of three contract acquisition variables divided by the total sum of all Component measurements of same three variables multiplied by total estimated cost of the activity. The three contract acquisition variables measured for each Component's is as follows: (1) the number of personnel providing contractor support, (2) number of contracts processed and (3) the dollar volume of contracts processed.

Full Time Equivalent (FTE): This activity requires no FTE.

E-gov Disaster Management – *Government Wide Service Activity*

Description of Service: Disaster Management is part of the e-Gov Act of 2002, Title II, and

Section 214 "Enhancing Crisis Management Through Advanced Information Technology" and is described in OMB M-03-18, "Implementation Guidance for the E-Government Act of 2002." This initiative, which will support disaster assistance and "all hazards" response, is a joint effort involving 10 other federal agencies that support disaster management. This initiative also supports many of the goals of the Initial National Response Plan dated October 2003.

The scope of the project covers all federal agencies that are involved in disaster recovery, as well as state, local and tribal disaster recovery organizations and individuals. The value of this program is its contribution to improving disaster preparedness and its potential to reduce property damage and loss of life. The initiative has the following goals:

Goal 1: An easy to use, unified point of access to Disaster Management knowledge and services.
Goal 2: Accelerated and improved quality of disaster mitigation and response.

Scope: The result of the initiative is a set of disaster services and information exchange delivery mechanisms that meet the nation's disaster planning and response needs. The three pillars of the Disaster Management initiative are:

- DisasterHelp.gov – A consolidated portal that provides disaster-related information and collaboration tools for the emergency management community.
- DMIS – A core incident management tool set and shared services for information exchange.
- Interoperability Standards –Interoperability standards to reduce costs and operational complexity to simplify the software interfaces needed to interact with many sources and dissemination systems.

Managing Partner: DHS / Chief Information Officer (CIO) / Science & Technology (S&T).

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's level of participation in Disaster Management divided by the total sum of all Component levels of participation in Disaster Management multiplied by total estimated cost of the activity. Levels of participation include measuring the active participation of sixteen elements of Disaster Management defined by Disaster Management E-Government Initiative Program Office, EP&R/FEMA. The sixteen elements of Disaster Management include the following: (1) transportation, (2) communications, (3) public works and engineering, (4) firefighting/incident command system, (5)information and planning, (6) mass care, (7) resource support, (8) health and medical services, (9) search and rescue, (10) hazardous materials, (11) food, (12) energy, (13) warnings and alerts, (14) research and development, (15) emergency/domestic preparedness, and (16) disaster relief. The sixteen elements are the cost drivers for each Component's assessment and because many Components are involved in various activities at different levels of participation, the cost for this activity is fairly uniform across the Components.

Full Time Equivalent (FTE): This activity requires no FTE.

DEPARTMENT OF HOMELAND SECURITY CROSSCUTTING ACTIVITY

Capital Planning & Investment Control (CPIC) – *DHS Crosscutting Activity*

Description of Service: Capital Planning and Investment Control (CPIC) is run jointly by the CFO (PA&E) and the CIO (Portfolio Management) to carry out the Department's responsibilities for the quality and performance of its investment projects. A CPIC process is required to comply with the budget preparation guidance provided by OMB Circular A-11, Preparing, Submitting and Executing the Budget, and the management guidance provided by OMB Circular A-130, Management of Federal Information Resources, under the legislative authorities and requirements in the Clinger-Cohen Act and the Homeland Security Act. Project management offices throughout the Components prepare business cases to demonstrate to the Department and OMB that they are on-track and ready to effectively use the additional funding requested. These CPIC services include automated tools to assist with document preparation, document review and scoring, and formal training, informational briefings, and remedial coaching to improve document quality, as well as support to Program Management Offices (PMOs) in the review and feedback on briefings for DHS oversight.

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each participating Component's Exhibits 300 total divided by the total DHS Exhibit 300's multiplied by the total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE.

Ready Campaign – *DHS Crosscutting Activity*

Description of Service: The DHS "Be Ready" campaign and Ready.gov web site. The campaign helps citizens make a kit of emergency supplies; make a plan of what to do in an emergency, and be informed of biological, chemical, explosion, nuclear blast and radiation threats.

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each participating Components adjusted total budget divided by DHS's adjusted total budget (excluding grant funding) multiplied by the total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires no FTE

Strategic Sourcing – *DHS Crosscutting Activity*

Description of Service: DHS has established Strategic Sourcing Group (SSG) to implement a department-wide approach to acquiring goods and services. The SSG has established commodity councils that are working to identify the department's needs for each commodity and developing more efficient purchasing mechanisms to address those needs. The total number of commodity councils established thus far is 16 covering such commodities as weapons and ammunition, uniforms, electricity, office supplies, airport services, copiers and office supplies

Cost Allocation Methodology: The cost allocation methodology is a pro-rata share based on the percent of each Component's measurement of three contract acquisition variables divided by the total sum of all Component measurements of same three variables multiplied by total estimated cost of the activity. The three contract acquisition variables measured for each Component's is as follows: (1) the number of personnel providing contractor support, (2) number of contracts processed and (3) the dollar volume of contracts processed.

Full Time Equivalent (FTE): This activity requires no FTE.

Competitive Sourcing – *DHS Crosscutting Activity*

Description of Service: Competitive Sourcing is required to implement the FAIR Act (P.L. 105-270) and Section 647(b) of the Consolidated Appropriations Act for FY 2004. This funding enables the Department to achieve savings and performance improvements required by the FYHSP RAPS and President's Management Agenda.

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's Full Time Civilian Equivalent (FTE) divided by DHS's total Civilian FTE multiplied by total estimated cost of the activity. This activity only benefits civilian personnel; therefore, military FTE is not included in the cost allocation methodology.

Full Time Equivalent (FTE): This activity requires no FTE.

CPO Shared Reporting – *DHS Crosscutting Activity*

Description of Services: The DHS Shared Reporting - CPO system, known otherwise as the Homeland Security Contract Information System (HSCIS), is the acquisition data feeder system to the Federal Procurement Data System - Next Generation (FPDS-NG) that is required by statute. This data source is the primary source of all acquisition data for the federal government, used by U.S. agencies, governments around the world, the public, and the commercial world for planning marketing opportunities with the American government related to its $310 trillion annual acquisition budget. DHS uses HSCIS to provide data to FPDS-NG and to monitor acquisition data.

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each participating Component's adjusted total budget by DHS's adjusted total budget (excluding grant funding) multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires one FTE.

WCF MANAGEMENT ACTIVITY

Working Capital Fund Operations – *WCF Management Activity*

Description of Service: The Working Capital Fund Operations provides policy, procedures, budget formulation, execution and customer resolution services in managing the WCF. Services are provided to the activity managers as well as customer Components across DHS.

Activity Managers Budget Formulation Services:

- Oversee all budgets, make recommendations to the General Manager on all aspects of the WCF, and perform or direct all duties and responsibilities of financial management not reserved by the General Manager.
- Provide direction and assistance to program managers in the development of operating plans, budgets, and supporting documents relating to use of the WCF.
- In coordination with the Director, Budget Staff, make recommendations to the General Manager of the WCF on operating plans, rate structures and activities to be supported by the fund.

Activity Managers Budget Execution Services

- Review financial reports for conformance with program and financial plans, and inform the General Manager and other program management officials of trends and changes required in the financial plan.
- Conduct a Mid-Year Review and a Year-end Close of the Fiscal Year.

Cost Allocation Methodology: The cost allocation methodology for this activity is a pro-rata share based on the percent of each Component's WCF assessment amount divided by the total WCF assessment multiplied by total estimated cost of the activity.

Full Time Equivalent (FTE): This activity requires six FTEs to oversee all budgetary functions of the Working Capital Fund.